

# RECLAMATION

*Managing Water in the West*

## **Reclamation Concession Management Guidelines**



**U.S. Department of the Interior  
Bureau of Reclamation  
Denver, Colorado**

**April 2005**

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Bureau of Reclamation  
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## **Mission Statements**

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

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The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

This document is arranged in THREE PARTS:

**PART 1 – SUPPORT DOCUMENTS**

List of Acronyms  
Reclamation Concessions Management Policy  
Reclamation Concessions Management Directives and Standards

**PART 2 – CONCESSIONS PROSPECTUS PACKAGE – STRUCTURE AND DEVELOPMENT**

Prospectus Assembly (chapter 1)  
Draft Concessions Contract (chapter 2)

**PART 3 – “HOW TO” GUIDELINES**

Detailed “How To” Guidelines and Discussions on various components of Reclamation’s Concessions Management Program (chapter 3 – chapter 22)

# RECLAMATION CONCESSION MANAGEMENT GUIDELINES

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### PART 1 – SUPPORT DOCUMENTS

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#### LIST OF ACRONYMS

#### RECLAMATION CONCESSIONS MANAGEMENT POLICY

#### RECLAMATION CONCESSIONS MANAGEMENT DIRECTIVES AND STANDARDS

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### PART 2 – CONCESSIONS PROSPECTUS PACKAGE – STRUCTURE AND DEVELOPMENT

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## PART 1 SUPPORT DOCUMENTS

Part 1 of the Reclamation Concession Management Guidelines includes the:

*List of Acronyms* – This list provides the full wording to accompany any of the acronyms used throughout all the part of the Concessions Management Guidelines.

*Reclamation Concessions Management Policy* – This section provides the current Concessions Management Policy (LND P02) that applies to all concession activities on Reclamation lands.

*Reclamation Concessions Management Directives and Standards* – This section provides current Directives and Standards (LND 04-01) that apply to all concession activities directly administered by Reclamation.

These documents and information provide background, authority, and/or justification for the detailed Reclamation Concession Management Guidelines that follow.

## LIST OF ACRONYMS

ABA	Architectural Barriers Act
Access Board	Architectural and Transportation Barriers Compliance Board
ACHP	Advisory Council on Historic Preservation
ADA	Americans with Disabilities Act
ADAAG	Americans with Disabilities Act Accessibility Guidelines
AFR	Annual Financial Report
AHJ	authority have jurisdiction
AICPA	American Institute of Certified Public Accounts
AIDS	Acquired Immune Deficiency Syndrome
AMB#	A.M. Best Identification Number
ARPA	Archaeological Resources Protection Act
ASTM	American Society for Testing and Materials
BOP	blowout prevention
CAA	Clean Air Act
CBD	close of bid date
CEQ	Council on Environmental Quality
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CFIP	Concession Facilities Improvement Program
CFR	Code of Federal Regulations
CIC	Collection Information Code
CIF	Collection Information Form
CIR	capital investment recovery
COE	Certificate of Endorsement
Corps	Army Corps of Engineers
CPA	certified public accountant
CPI	Consumer Price Index
CPI-u	Consumer Price Index for All Urban Consumers
CPR	cardio pulmonary resuscitation
CSL	combined single limit (insurance)
CWA	Clean Water Act

DMI	Department of the Interior Manua
DOD	Department of Defense
DOT	Department of Transportation
E.O.	Executive order
EA	environmental assessment
EEO	equal employment opportunity
EEOC	Equal Employment Opportunity Commission
EIS	environmental impact statement
EMP	Environmental Management Program
EMS	Environmental Management System
EPA	Environmental Protection Agency
EPCRA	Emergency Planning and Community Right-to-Know Act
ESA	Endangered Species Act
FAA	Federal Aviation Administration
FCC	Federal Communicative Commission
FDA	Food and Drug Administration
FFCA	Federal Facility Compliance Act
FIFRA	Federal Insecticide, Fungicide, and Rodenticide Act
FOIA	Freedom of Information Act
FONSI	finding of no significant impact
FWS	U.S. Fish and Wildlife Service
GAAP	generally accepted accounting principles
GFCI	ground fault circuit interrupter
GSA	General Services Administration
HAZMAT	hazardous materials
HCP	Habitat Conservation Plan
HIV	human immunodeficiency virus
HUD	Department of Housing and Human Development
IMP	Improvement Management Plan
Interior	Department of the Interior
IPM	Integrated Pest Management

IPMC	International Property Maintenance Code
IRS	Internal Revenue Service
ITC	investment tax credits
LPG	liquefied petroleum gas
MMPA	Marine Mammal Protection Act
MSDS	Material Safety Data Sheet
NAAQS	National Ambient Air Quality Standards
NAGPRA	Native American Graves Protection and Repatriation Act
National Register	National Register of Historic Places
NCA	Noise Control Act
NEC	National Electric Code
NEPA	National Environmental Policy Act
NFPA	National Fire Protection Association
NHPA	National Historic Preservation Act
NOAA Fisheries	National Oceanic and Atmospheric Administration Fisheries
NPS	National Park Service
O&M	operations and maintenance
OAS	Office of Aircraft Services
OFCCP	Office of Federal Contract Compliance Programs
OSHA	Occupational Safety and Health Administration
P&L	profit and loss
P.F.D.	personal flotation device
P.L.	Public Law
PCB	polychlorinated biphenyl
PHS	Public Health Service
PS	project statement
R&M	repair and maintenance
RAFI	reserve account for facilities improvement
RCRA	Resource Conservation and Recovery Act
Reclamation	Bureau of Reclamation

RFP	request for proposals
RM	Reclamation Manual
RMP	Risk Management Program
ROD	record of decision
RV	recreation vehicle
SDWA	Safe Drinking Water Act
Secretary	Secretary of the Interior
SHPO	State Historic Preservation Officer
SPCC Plan	Spill Prevention, Control, and Countermeasure Plan
TDD	Telecommunications Device for the Deaf
THPO	Tribal Historic Preservation Officer
TSC	Technical Service Center
TSCA	Toxic Substances Control Act
TTY	teletypewriter
U.S.	United States
U.S.C.	United States Code
UFAS	Uniform Federal Accessibility Standards
UPC	Uniform Plumbing Code
USCG	U.S. Coast Guard
USDA	U.S. Department of Agriculture
USPHS	United States Public Health Service

# Reclamation Manual

## Policy

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**Subject:** Concessions Management

**Purpose:** Sets forth the policy for planning, development, management, and operation of concessions at Reclamation projects.

**Authority:** Reclamation Act of 1902, as amended and supplemented; the Reclamation Project Act of 1939; and the Federal Water Project Recreation Act of 1965, as amended.

**Contact:** Land, Recreation, and Cultural Resources Office, D-5300

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### 1. Concessions Management Policy.

- A. **Stewardship.** Reclamation and its managing partners will ensure that concessions are planned, developed, and managed to meet public needs, are compatible with the natural and cultural resources, and provide a variety of services which are consistent with authorized project purposes.
- B. **Authorization of Concessions.** Based on the principles contained in this policy, Reclamation will authorize concessions which establish or continue to provide necessary and appropriate facilities and services.

### 2. Definition.

- A. **Concession.** A concession is a non-Federal commercial business that supports appropriate public recreation uses and provides facilities, goods, or services for which revenues are collected. A concession involves the use of the Federal estate and usually involves the development of real property improvements.

### 3. Concessions Principles. The following principles guide the planning, development, and management of concessions:

- A. Concessions will provide quality recreation facilities and services accessible to persons with disabilities, and appropriate visitor goods and services at reasonable rates.
- B. Concession operations will provide for the protection, conservation, and preservation of natural, historical, and cultural resources.
- C. Commercial facilities and services will be planned and developed through a commercial services planning and public involvement process, in cooperation with other public agencies.

# Reclamation Manual

## Policy

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- D. Concessionaires will be provided with opportunities for a reasonable profit and may be compensated for Reclamation-approved improvements that will remain the property of the United States.
  - E. Reclamation will ensure fair competition in the awarding of concessions contracts and will not allow preferential rights of renewal.
  - F. Exclusive use of the Federal estate will not be allowed and existing exclusive use will be removed as soon as possible.
  - G. Concessions will comply with applicable Federal, State, and local laws.
4. **Supporting Directives and Standards and Guidelines.** Implementation of the Concessions Management Policy is accomplished through the use of the Reclamation Manual Directives and Standards, and Guidelines.
- Concessions Management by the Bureau of Reclamation, LND 04-01.
  - Concessions Management by Non-Federal Partners, LND 04-02.
  - Concessions Management Guidelines.



# Reclamation Manual

## Directives and Standards

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**Subject:** Concessions Management by Reclamation<sup>1</sup>

**Purpose:** Sets forth the directives and standards for planning, development, and management of concessions at Reclamation projects.

**Authority:** Reclamation Act of 1902, as amended and supplemented; the Reclamation Project Act of 1939; and the Federal Water Project Recreation Act of 1965, as amended.

**Contact:** Land, Recreation, and Cultural Resources Office, D-5300

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### 1. Definitions.

- A. **Concession.** A concession is a non-Federal commercial business that supports appropriate public recreation uses and provides facilities, goods, or services for which revenues are collected. A concession involves the use of the Federal estate and usually involves the development of real property improvements.
- B. **Cooperating Association.** A cooperating association is a nonprofit organization. It is a Federal 501(c) tax-exempt entity incorporated within the State in which it operates, and it is governed by a volunteer board of directors. Cooperating associations assist in enhancing interpretive programs, providing visitor information, funding research, and supporting various resource themes.
- C. **Exclusive Use.** Exclusive use is any use that excludes other appropriate public recreation use or users for extended periods of time. Exclusive use includes, but is not limited to, boat docks, cabins, trailers, manufactured or mobile homes, structures, roads, or other amenities that are determined by Reclamation to be exclusive use.
- D. **Federal Estate.** The Federal land and water areas under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.
- E. **Fixed Assets.** Fixed assets are any structures, fixtures, or capital improvements permanently attached to the Federal estate.
- F. **Improvement.** An addition to real property that increases its value or utility or that enhances its appearance.

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<sup>1</sup> The following directives and standards apply to concessions managed directly by Reclamation. Separate directives and standards address concessions managed by non-Federal partners.

# Reclamation Manual

## Directives and Standards

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G. **Incidental Revenues.** Incidental revenues are generally defined as those revenues generated from the use of Reclamation's project lands and facilities that are incidental to authorized project purposes. Although recreation and concession facilities are authorized project purposes, it has been determined that revenues generated from the use of the Federal estate by concessionaires are to be credited as incidental revenues.

H. **Total Benefits to the Government.** Total benefits include:

- (1) **Direct Returns.** These are revenues generated by authorized concession contracts and paid directly to the United States Treasury and credited in accordance with Reclamation Manual (RM), *Crediting of Incidental Revenues*, PEC 03-01.
- (2) **Direct Benefits.** These are fees paid into a contractually designated special account for resource and capital improvements that directly benefit the public in the area of operations where the fees are collected.
- (3) **Indirect Benefits.** These are services performed by the concessionaire that benefit the public or improvements made to the Federal estate by the concessionaire.

### 2. Existing Concession Contracts.

A. **Compliance.** Existing concession contracts must be brought into compliance with the Concessions Management Policy and Directives and Standards at the first legal opportunity, for example, if the contract is amended. If a concession contract expires or is terminated because of contract default or for other reasons, any subsequent concession contract must comply with the Concessions Policy and Directives and Standards.

B. **Unusual Circumstances.** In the event that unusual circumstances prevent Reclamation from issuing a new contract in a timely manner, a one-time, temporary contract may be issued. The temporary contract must comply with the Concessions Management Policy and Directives and Standards and may be issued for a period not to exceed 2 years.

### 3. Concessions Planning.

A. **General.** Before issuing a concession prospectus and Request for Proposal (RFP), Reclamation will complete a formal commercial services plan and financial feasibility evaluation.

# Reclamation Manual

## Directives and Standards

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- (1) **Commercial Services Plan.** The commercial services plan can be an addendum to a resource management plan or similar planning document. If there is no other planning document, the commercial services plan may stand on its own. At a minimum, the commercial services plan must determine the number of concessions necessary to meet the public needs, the type of facilities and services to be provided, the financial feasibility of the concession(s), and the location(s) appropriate for commercial activities. The complexity of commercial services plans will vary according to location, past visitor use, anticipated revenues, and other factors.
  - (2) **Financial Feasibility Evaluation.** The financial feasibility evaluation, included in the commercial services plan, will include, at a minimum, a documented determination of the financial viability of the proposed concession operation, including, the estimated fees to be returned to the Government, a justification for the proposed length of the term of the concession contract and the underlying assumptions regarding concessionaire capital investment in the concession.
  - (3) **Planning for New Concessions Contracts.** It is essential that area and regional offices allow adequate time to complete the commercial services planning process, develop an RFP and contract, and receive the Commissioner's Office review and approval of the RFP and contract. In some cases, the planning for new concession contracts(s) must begin several years in advance of the date anticipated the contract(s) will be awarded.
- B. Commercial Services Plan.** Decisions to contract for concessions must be based on the results of the commercial services planning process, which will include public involvement, financial feasibility evaluation, and environmental analysis. During the planning process, the following criteria will be applied to determine appropriate facilities and services:
- (1) Facilities and services must be necessary and appropriate for a broad spectrum of public use and enjoyment.
  - (2) Commercial facilities must not be developed or expanded on the Federal estate if existing facilities, on or off the Federal estate, adequately meet current and projected needs.
  - (3) Facilities and services must reflect the general public's needs rather than the desires of a particular individual or group. Existing concessionaires may provide input through the public involvement process.
  - (4) The financial feasibility evaluation must consider the concession's:

# Reclamation Manual

## Directives and Standards

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- (a) Gross revenues (receipts) by operating department (lodging, food, and beverage).
  - (b) Operating expenses:
    - (i) Direct expenses by operating department (including labor and cost-of-goods sold).
    - (ii) Unallocated expenses (including utilities and repair and maintenance).
    - (iii) General and administrative expenses (including overhead, officer salaries, office supplies, and travel).
    - (iv) Fixed expenses (including rent, interest, depreciation, and reserve accounts).
    - (v) Franchise fees.
  - (c) Earnings before interest, depreciation, taxes, and amortization. (EBIDTA is a standard accounting value representing net operating income)
  - (d) Capital investment costs:
    - (i) Working capital.
    - (ii) Furniture, fixtures, and equipment.
    - (iii) Ongoing capital replacement.
    - (iv) New facility development costs.
  - (e) Cash flow analysis.
  - (f) Other appropriate factors that influence the concession's business opportunity (including length of season, rates, visitation, inflation, cost of capital, and appropriate target rate-of-return to concessionaire).
- (5) Facilities and services must be compatible with Reclamation project purposes.
- (6) Facilities, services, or sites considered to be exclusive use will not be allowed and should not be considered as a part of any commercial services planning alternative. Existing exclusive use facilities, services, and sites must be removed when a contract expires or, if possible, sooner.

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## Directives and Standards

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- (7) Potential impacts to natural and cultural resources must be considered in the development of facilities and services.
- (8) Facilities must be harmonious in form, line, color, and texture with the surrounding landscape.
- (9) The planning process will consider whether existing concession facilities should be relocated because: (a) they would serve the public better at a different location, (b) they are situated in an area that is topographically limited (steep slopes, soils subject to erosion, limited space for expansion, or the site cannot accommodate the demand) and cannot provide the best public services and facilities, or (c) the financial feasibility evaluation determines that combining one or more existing concessions would create a more financially stable concession.
- (10) If existing fixed assets are proposed to be retained as a part of any new concession operation, they must first be formally evaluated to determine if their existing condition and useful life is sufficient to last through the duration of any new contract. If the evaluation determines that any fixed asset would have to have significant maintenance or would need to be replaced during the term of the new contract, then the fixed asset must be removed prior to issuing a new contract.
- (11) Concession contracts and operations must comply with all applicable laws, rules, regulations, Executive Orders, and policies.

#### 4. Concessions Contracting.

- A. **General Application.** These directives and standards will apply to existing concessions contracts only if agreed to by both Reclamation and the concessionaire. Existing contracts may not be renewed, nor can the length of the term be extended. Existing contracts that are amended or modified within the current term must adhere to these Concessions Management Directives and Standards. New or replacement contracts will be awarded on a fully competitive basis.
- B. **Request for Proposals (RFP).** An RFP will be issued to actively solicit offers from interested parties. To allow for a wide distribution, the RFP will be published in the appropriate media and the following approach will be applied:
  - (1) **Fair Competition.** To ensure fair competition before and during the RFP process, meetings to discuss the RFP with existing or potential concessionaires or other outside parties must not be conducted. It is appropriate to have meetings with existing concessionaires to deal with ongoing operational or

# Reclamation Manual

## Directives and Standards

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contractual issues and programs. The RFP should include a schedule of meetings in which all interested parties can discuss requirements of the RFP. Other meetings requested by individual interested parties must be declined.

- (2) **Equal Access to Information.** All information must be equally available to all interested parties during the RFP process.
  - (3) **Written Explanation.** Following release of an RFP, explanations or clarifications will be provided only in writing and must be sent to all parties who already have received the RFP and to any parties who are to receive it in the future.
  - (4) **Existing Concessionaires.** Existing concessionaires must respond to the RFP as a bidder to be considered for the new contract. If any existing concessionaire has a contract that includes a “Preferential Right of Renewal,” the RFP must state that, if selected, the concessionaire’s contract will be subject to all terms and conditions as outlined in the RFP. The RFP must also state how the preferential right of renewal will be applied in the bid process. No preferential right of renewal will be authorized for new, modified, or amended concession contracts.
- C. **Review of Proposals.** A panel composed of Reclamation “subject matter experts” (e.g., financial, recreation, and concession experts) will be convened to review submitted proposals. If Reclamation desires, it may contract with external experts to analyze offers. The panel will forward a recommendation to the selecting official. The selecting official will provide selection criteria and a crediting plan to the panel.
- D. **Contract Terms and Conditions.** The following items should be specifically addressed in concession contracts:
- (1) **Standard Contract Language.** Reclamation’s standard concession contract language will be used to ensure compliance with all applicable laws, rules, regulations, Executive Orders, and Concessions Management Policy and Directives and Standards. Standard contract language can be found in the Concessions Management Guidelines. (See paragraph 5E.)
  - (2) **Interim Operator.** Reclamation may select an interim operator if a contract is not in place at the time the existing contract expires or is terminated. Interim contracts will generally follow the existing contract provisions; however, contract terms and conditions must be modified to reflect current policies and directives and standards. Reclamation may select the existing concessionaire as the interim operator if the existing concessionaire is performing in a

# Reclamation Manual

## Directives and Standards

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satisfactory manner. The interim operation will not exceed 2 years. A new contract must be awarded as expeditiously as possible.

- (3) **Required and Authorized Visitor Services.** Contracts must outline the specific types of services, facilities, and activities that a concessionaire is REQUIRED to offer. The contract should also specify any other services or activities the concessionaire is AUTHORIZED to offer. It must be clear that those required services are not optional and must be provided. Any service, facility, or activity not identified in either category is not authorized without a contract amendment or written authorization from the contracting official (Regional Director or delegate).
- (4) **Sale and Transfer.** Concessionaires or parties holding interests in a concession contract may not sell, assign, or transfer their interests or a part of their interests to another party without the prior written approval of the contracting official (Regional Director or delegate). Concessionaires must complete and submit all sale and transfer information as required by Reclamation before approval of a sale or transfer of all or any portion of a concession operation will be considered.
  - (a) **Proposed Transfer.** A proposed transfer of interest is subject to the same evaluation process that is performed for a new concession contract. The Reclamation-designated official may choose not to approve a proposed sale or transfer or may choose to place conditions on the approval.
  - (b) **Change of Original Contract Terms.** Concession contracts will provide that the terms and conditions are subject to change by Reclamation before approval of a sale or transfer. The length of the term may be reduced but not extended.
- (5) **Default and Nonperformance.** Clauses addressing default, penalty, and termination will be included in all concession contracts. The review and evaluation process will be critical to help determine if a concessionaire is in default or not meeting the terms of the contract. [See paragraph 4D(27).] The contract will also allow Reclamation to require a surety or performance bond at any time, collect penalties and administrative costs for default and nonperformance, and terminate the contract.
- (6) **Length of Term.** The term of all contracts will be limited to the shortest period practical and will be based primarily on the investment required of the concessionaire, as determined through the financial feasibility evaluation. The term of a contract requiring minimal or no new capital investment should generally not exceed 5 years. When substantial investment is required, the

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term will be based on the financial feasibility evaluation to ensure that concessionaires receive a reasonable return on their investment. New contracts cannot contain renewal clauses.

- (7) **Subconcessions.** Subconcessions are not permitted.
- (8) **Concessions Building and Improvement Program.** All designs for construction must be approved by Reclamation and must comply with applicable environmental regulations and building code requirements, including those for accessibility and historic preservation. In areas where State or local construction standards are not available, Reclamation may provide appropriate standards. Where required and before construction, the concessionaire must obtain all required building permits from the local authorities. All the concessionaires' facilities will be harmonious in form, line, color, and texture with the surrounding landscape.
- (9) **Environmental Compliance.** Concession contracts will address all activities with potential environmental impacts resulting from the release of hazardous materials to the environment including, but not limited to, the following: pesticides, herbicides, sewage effluents, petroleum products, and liquid waste (gray water). Concessionaires are required to follow all applicable Federal, State, and local laws, rules, and regulations related to hazardous substance use, storage, and disposal. Application for and acquisition of all required certifications and permits are the responsibility of the concessionaire.
- (10) **Interpretation and Thematic Programs.** Contracts should require concessionaires, to the extent possible, to support Reclamation's educational efforts through such actions as developing interpretive and area thematic messages in printed material (menus, marketing, correspondence, etc.), using outdoor signs, and, as appropriate, developing formal programs.
- (11) **Operation and Maintenance Plan.** Concessionaires will prepare an annual operation and maintenance plan, which must be approved by Reclamation. Concession contracts must clearly state what the plan will contain. Reclamation's Concessions Management Guidelines provide a list of operation and maintenance items that should be considered for inclusion in the plan. (See paragraph 5E.)
- (12) **Preference for Renewal.** Concession contracts will not include a preference right of renewal.
- (13) **Reimbursement for Fixed Assets Constructed by Concessionaires.** Concession contracts will specify whether fixed assets located on the Federal



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estate by a concessionaire will remain on the Federal estate or be removed at the end of the contract.

- (a) **Assets That Remain With the United States.** Title to all capital investments will be held by the United States and not the concessionaire. Concessionaires do not automatically have a right to compensation from the United States in fixed asset improvements upon contract expiration or termination. However, at the option of Reclamation, and when appropriated funds are available, Reclamation may purchase a concessionaires remaining assets that have not been amortized and the amount paid to the concessionaire will not exceed cost less depreciation.
  - (b) **Approval of Improvements.** Any new investment in fixed asset improvements by the concessionaire must be approved, in writing, by Reclamation before commencement of construction. This written approval will specify (i) the amount of money to be spent to construct or rehabilitate the fixed asset, (ii) the allowed depreciable life of the improvement (according to the IRS schedule), and (iii) the construction details and schedule.
  - (c) **Assets That Remain to be Purchased by a New Concessionaire.** Upon expiration, termination, or sale or transfer of a concession contract some fixed assets may not have been fully amortized. If Reclamation determines the fixed assets are still needed for the concession operation, the unamortized value must be purchased by the new concessionaire and based on the original cost less depreciation.
- (14) **Area of Operation.** Each contract will authorize and define only the physical area necessary to conduct the business activities allowed by the contract. The contract must include a legal description and a detailed map. Concession boundaries will be surveyed by Reclamation and must be easy to recognize by the visiting public.
- (15) **Additional Facilities or Services.** A concessionaire may request contract amendments for limited additional facilities or services that meet public needs and were not identified in the RFP. A major expansion of facilities or services is not permitted. Additional facilities or services are not allowed without advance approval by Reclamation.
- (16) **Total Benefits to the Government.** Reclamation will determine and recover fair compensation, including direct returns and direct and indirect benefits, for the use, rights, and privileges granted under a concession contract. The

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concession contract will specify the direct returns and direct and indirect benefits.

- (a) **Thresholds.** Targeted thresholds of total benefits will be developed to determine the optimal combination of payments. These will be used in advertisements, RFPs, and renegotiations to seek appropriate benefits to the Government and the public.
  - (b) **Direct Returns (Disposition of Fees).** The appropriate disposition of recreation or concession fees depends on the land status and authority used to collect the fees. Fees collected under the authority of the Land and Water Conservation Fund Act are to be deposited in the Recreation, Entrance, and User Fee Account, which is a special account for Reclamation established in the United States Treasury. For specific information, refer to the RM, *Crediting of Incidental Revenues*, PEC 03-01. Except as provided otherwise in a project specific authorization, fees collected pursuant to Reclamation law will be disposed of as follows:
    - (i) Fees generated by concessions or recreation activities on withdrawn project lands are deposited in the Reclamation Fund.
    - (ii) Fees generated by concessions or recreation activities on lands acquired for project purposes are deposited in the Reclamation Fund, to the credit of the project.
- (17) **Utility Services Provided by Reclamation.** The value for utility services provided by Reclamation will be based on the recovery of full operating and replacement costs for utility capital investments and comparable utility rates. If the financial feasibility evaluation determines that it would not be feasible for the concessionaire to pay rates which would compensate Reclamation for its total capital and operating costs, Reclamation must determine the utility service rates that would be feasible and applied. Utility services include, but are not limited to, electricity, power, water, waste disposal, gas, and communication systems.
- (18) **Exclusive Use.** Exclusive use facilities are not authorized in new concession contracts. If existing concession contracts are amended, a new provision must be included that requires exclusive use to be phased out as soon as possible, before the contract expires. A mandatory timetable for this phase out must be included in the amended contract. The concessionaire and a person hired to guard the concessionaire's investment may reside on the Federal estate, with the written approval of the contracting officer.

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- (19) **Sale of Personal Property.** The sale of personal property by anyone other than the concessionaire is prohibited on the Federal estate. Concessionaires will be permitted to sell their personal property on the Federal estate only to Reclamation or a succeeding concessionaire.
- (20) **Rates and Merchandise.** Rates charged by concessionaires for all facilities, services, and merchandise will be based on charges for comparable facilities, services, facilities, and merchandise provided by the private sector in similar situations. Approved rates will ensure a fair return to the concessionaire and a reasonable charge to the public. Reclamation will approve such rates or rate schedules when the concessionaire proposes to change rates. Any rates in excess of comparable rates must be thoroughly justified and supported in writing by the concessionaire and approved by Reclamation.
- (21) **Concessions Safety Program.** Concessionaires are responsible for providing and ensuring a safe and healthful environment for both the visiting public and employees by developing, implementing, and administering health, safety, and educational programs to ensure that concession areas are managed in compliance with Federal, State, and local laws, rules, and regulations.
- (22) **Insurance Program.** Concessionaires must have an insurance policy that will indemnify the United States and meet applicable State requirements. All liability policies will provide that the insurance company will have no right of subrogation against the United States and will provide that the United States is named as an additional insured. Reclamation must be provided with a certificate of insurance by the insurance agent to confirm that the above requirements are met before development begins or operations commence. The concessionaire must also provide Reclamation with a copy of each insurance renewal certificate throughout the term of the concession contract. The Regional Director or delegate will establish a minimum insurance requirement based on the facilities and services offered by individual concessions.
- (23) **System of Recordkeeping.** Concessionaires will complete Reclamation's Annual Financial Report (AFR) form and provide any other financial information that may be requested. The annual financial reports will conform to the standard AFR form, without exception or modification.
- (24) **Food Sanitation.** Concessionaires' food services will comply with Federal, State, and local food handling and sanitation laws, rules, and regulations.
- (25) **Advertising and Signs.** Use of the Reclamation seal, logo, or name must be approved by Reclamation before it is displayed in advertisements or on signs.

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Outdoor signs or other forms of advertising must not be displayed on the Federal estate without the approval of Reclamation.

- (a) The Reclamation logo or name will be obvious at all entrances to all concessions.
  - (b) Concessionaires will be required to notify the public that they are authorized by Reclamation to conduct business on the Federal estate. All promotional material, regardless of media format (i.e., printed, electronic, broadcast), provided to the public by the concessionaire in connection with the services provided under the concession contract must be approved in writing by Reclamation. At a minimum, all such information will identify the concessionaire as an authorized concessionaire of the Bureau of Reclamation, Department of the Interior.
- (26) **Statistical Data.** Concessionaires will furnish information as specified in Reclamation's Recreation Use Data Report on an annual basis or as otherwise requested.
- (27) **Concessions Review and Evaluation.** Reclamation's Concessions Management Guidelines contain instructions on how to determine an appropriate rating and how to ensure that the concessionaire is in compliance with the terms of the contract. There are two types of review, the "local review" and the "external review."
- (a) **Local Review.** The local review will be conducted by the Reclamation office directly responsible for oversight of the concession. The local review will be conducted at least twice annually. One of the inspections must be conducted during the high use season. The combined reviews will determine the annual performance rating. The review will include, at a minimum, items listed in the Concessions Management Guidelines. The possible ratings are Satisfactory, Marginal, or Unsatisfactory. A copy of the completed review and rating will be sent to the regional office and the concessionaire and entered into the Recreation Use Data Report. The local Reclamation office will maintain all concession program management files and records.
  - (b) **External Review.** The external review will be conducted and documented by a team of technical specialists who are not employees of the office directly responsible for oversight of the concessions. At a minimum, contracts with a term of 5 years or less will be reviewed once, midterm; contracts with a term exceeding 5 years will be reviewed every 5 years.

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A copy of the review will be sent to the area and regional offices and the concessionaire. The external reviews will examine, at a minimum:

- (i) The extent to which the concession operation meets Reclamation's Concessions Management Policy, Concessions Management Directives and Standards, and Concessions Management Guidelines.
  - (ii) The extent to which the concession activities are consistent with resource management plans and commercial services plans.
  - (iii) The extent to which the concessionaire is in compliance with the contract provisions, especially with respect to building improvements, operations, prices charged by concessionaires, fees returned to the Government, and annual financial reporting to Reclamation.
  - (iv) The quality and condition of the facilities and services related to the health and safety of the employees and the visiting public.
  - (v) The recordkeeping system(s) used by the local Reclamation office to determine that the concessionaire uses generally accepted accounting practices.
  - (vi) The recordkeeping system(s) used by the local Reclamation office to conduct quarterly and annual reviews.
  - (vii) The local Reclamation office records regarding the annual reviews and annual rating.
- (c) **Corrective Actions.** If either the local or external review identifies operational or administrative deficiencies in the operation of a concession, a timetable must be established by the area office and approved by the Regional Director or delegate to correct these deficiencies. The contract must specify the actions that will be taken for marginal or unsatisfactory ratings. The possible actions will include suspension of all or part of the concession operation or termination of the concessions contract.
- (d) **Disputes.** Disputes between Reclamation and the concessionaire are to be resolved through informal negotiations and discussions. In the event that such disputes fail to reach resolution, either party may request a formal, nonbinding arbitration process. Each party selects one member for the arbitration panel and, together, these two members will select the third (neutral) panel member. The panel will treat each party equally and

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fairly. Recommendations must be made by a majority of the panel members. If either party disagrees with the arbiter's recommendation, he or she may file an appeal with the Secretary of the Interior under 43 CFR, Part 4, Subpart G. The Secretary's determination is final and binding.

- (e) **Officials Not to Benefit.** No member of the executive, legislative, or judicial branches of the Federal Government may be a party to any concession contract or receive any benefits from a concessions contract.

### 5. Miscellaneous.

- A. **RFP and Contract Review.** All RFPs and concession contracts must be reviewed and approved by the Commissioner's Office. The following sequence of steps must be followed:
  - (1) Area or regional offices must submit the proposed RFP and contract along with supporting information to the Commissioners's Office. The supporting information must include appropriate planning documentation and financial feasibility evaluation.
  - (2) The Commissioner's Office will establish a review team appropriately suited to the complexity and scope of the RFP and the contract. The team will evaluate the RFP and the contract for sufficiency and compliance with the Concessions Management Policy and Concessions Management Directives and Standards.
  - (3) The Commissioner's Office will return the approved RFP and contract, or return the RFP and the contract for modification and resubmittal if necessary.
- B. **Training.** All Reclamation offices are responsible for ensuring that Reclamation personnel involved with concessions have received training commensurate with their responsibilities.
- C. **Nonprofit Organizations.**
  - (1) In certain circumstances, it may be appropriate for cooperative associations or nonprofit organizations to sell goods or provide visitor services to meet Reclamation's goals and objectives. All cooperative association arrangements must be approved by Reclamation if the cooperative associations operate within a concession.
  - (2) The cooperative association will be responsible for maintaining its accounting system, and the system cannot be combined with the annual financial report submitted by a concessionaire. Nonprofit organizations will also be given very

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clear allowances and restrictions identifying the type of business they are authorized to conduct and the type of goods or services they may provide. Just as with concessionaires, nonprofit organizations are prohibited from providing items or services not specifically authorized. All nonprofit organizations must provide written proof of their nonprofit status.

- D. Employment of Reclamation Personnel or Family Members<sup>2</sup>.** Reclamation employees or family members(s) may not be owners, partners, board members, corporate officers, general managers, or employees of any business providing commercial services on the Federal estate, nor may they have any financial interest in such a company. Ownership of stock shares traded in a recognized open market is not considered a financial interest under these directives and standards. Reclamation employees are further prohibited from using their public office for private or family gain. A Reclamation employee involved in activities concerning preparing specification formulation, contract award, or operational administering a concession may not participate in that activity if the employee or a family member is involved in any phase or operation of that concession. Any Reclamation employee responsible for any phase of a concession contract will be excused from duties related to the contract if the employee or a family member is involved in the competition for the contract or the Reclamation employee or a family member may benefit financially from the award of the contract.
- E. Concessions Management Guidelines.** The Concessions Management Guidelines contain additional information that will assist Reclamation offices in complying with the Concessions Management Policy and the Concessions Management Directives and Standards.

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<sup>2</sup> Guidance on this issue should be obtained from an ethics counselor in the servicing Reclamation Personnel/Human Resources Office.

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**Subject:** Concessions Management by Non-Federal Partners

**Purpose:** Establishes minimum approval standards for all new, modified, or renewed non-Federal concession contracts.

**Authority:** Reclamation Act of 1902, as amended and supplemented; the Reclamation Project Act of 1939; and the Federal Water Project Recreation Act of 1965, as amended.

**Contact:** Land, Recreation, and Cultural Resources Office, D-5300

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1. **Non-Federal Partners.** Reclamation may transfer to non-Federal partners the responsibility to develop and manage public recreation areas and concession services. Transferred areas are managed by a partner under Federal authorities, the partner's authorities, specific contracts, and agreements with Reclamation. Well-planned and -managed concessions on the Federal estate are of mutual interest to Reclamation and its partners. Reclamation is responsible for continuous management oversight of managing partners and their concessions operations.
2. **Compliance With Directives and Standards.** New concession contracts issued by managing partners must comply with these directives and standards. Existing concession contracts issued by managing partners must, at the first opportunity, be brought into compliance with these directives and standards. If a concession contract is amended or terminated because of contract default or for other reasons and a subsequent concession contract is issued by the non-Federal partner, the subsequent concession contract must be in compliance with these directives and standards.
3. **Definitions.**
  - A. **Concession.** A concession is a non-Federal commercial business that supports appropriate public recreation uses and provides facilities, goods, or services for which revenues are collected. A concession involves the use of the Federal estate and usually involves the development of real property improvements.
  - B. **Exclusive Use.** Exclusive use is any use that excludes other appropriate public recreation use or users for extended periods of time. Exclusive use includes, but is not limited to, boat docks, cabins, trailers, manufactured or mobile homes, structures, or amenities that are determined by Reclamation to be exclusive use.
  - C. **Federal Estate.** The Federal land and water areas under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.



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- D. **Fixed Assets.** Fixed assets are any structures, fixtures, or capital improvements permanently attached to the Federal estate.
  - E. **Improvement.** An addition to real property that increases its value or utility or that enhances its appearance.
  - F. **Management Agreement.** A management agreement is a binding contract between Reclamation and a partner to provide public recreation opportunities and concession services on the Federal estate.
  - G. **Non-Federal Partner.** A non-Federal partner is a non-Federal public entity that manages recreation and other resources through a contractual agreement with Reclamation.
  - H. **Total Benefits to the Government.** Total benefits include:
    - (1) **Direct Returns.** These are fees generated by authorized concession contracts and paid directly to the managing entity or to the United States Treasury.
    - (2) **Direct Benefits.** These are fees paid into a contractually designated special account for resource and capital improvements that directly benefit the public in the area of operations where the fees are collected.
    - (3) **Indirect Benefits.** These are services performed by the concessionaire that benefit the public or improvements made to the Federal estate by the concessionaire.
4. **Managing Partner Agreements.**
- A. **Third-Party Concession Agreements.** Third-party concession agreements are agreements between the non-Federal managing partner and another entity to provide concession related services and facilities.
    - (1) **Agreement Standards.** Any concession contract, including a contract renewal or modification, issued by the non-Federal managing partner must meet the requirements of these Concessions Management Directives and Standards.
    - (2) **Contract Approval.** Before issuing or renewing a non-Federal concession contract, the contract must be approved by Reclamation.
    - (3) **Stand In Stead Conditions.** All concession contracts must state that Reclamation will not stand in stead for the managing partner should the

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management agreement expire or be terminated. At Reclamation's discretion, Reclamation may issue a new concession contract that is in compliance with Reclamation Manual (RM), *Concessions Management by Reclamation*, LND 04-01. Reclamation will not issue a new contract until all exclusive use has been removed.

- B. **Review and Evaluation.** All management agreements will require Reclamation to conduct annual concession operation reviews and evaluations. Reclamation may also conduct unplanned reviews, as necessary. If a review identifies operational or administrative deficiencies in the operation of a concession, a timetable must be established by the area office to correct these deficiencies.
  - C. **Exclusive Use.** New, renewed, or modified management agreements and concession contracts will include clauses that prohibit new exclusive use and require that existing exclusive use be phased out. When existing concession contracts issued by the partner are modified or renewed, Reclamation and the partner must establish a timetable in the concession contract that phases out existing exclusive use before the expiration of the contract. This timetable must be established before the concession contract is resubmitted to Reclamation for approval. The concessionaire and a person hired to guard the concessionaires investment may reside on the Federal estate, with the written approval of Reclamation.
  - D. **Disposition of Fees.** Unless State or local laws direct how concession fees paid to the partner will be used, the following will apply: (1) fees will be returned to the area to provide for operation, maintenance, and replacement of recreation facilities and new facility development; (2) any excess fees (profit) will be returned to Reclamation and disposed of according to RM, *Crediting of Incidental Revenues*, PEC 03-01.
  - E. **Statistical Data.** Each year, the managing partner will be required to provide Reclamation with the information specified in Reclamation's Recreation Use Data Report. Other information may be required, as necessary. This information will provide an accurate inventory of facilities. The report will also contain other data about the managing partner's recreation and concession operations on the Federal estate.
5. **Concessions Planning.** Concession development will adhere to the concessions principles listed in RM, *Concessions Management* (LND P02), will be based on appropriate plans developed by the partner or Reclamation, and will be approved by the Regional Director or delegate. Reclamation can provide direction and assistance in the process, as necessary, to accomplish effective commercial services planning.

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6. **Concessions Contracting.** The following items will be addressed in all new and renewed concessions contracts issued by non-Federal partners.
  - A. **Sale and Transfer.** The sale and transfer of existing concessions must be approved according to the management agreement and reported to Reclamation in a timely manner.
  - B. **Contract Language.** The partner will develop and use contract language that complies with all applicable Federal laws, rules, regulations, and Executive Orders. Reclamation can provide examples of standard contract structure and language.
  - C. **Length of Term.** The term for a concession may not exceed the term of the management agreement between Reclamation and the partner. In general, terms should be as short as possible and based on the new investment required as determined by a financial feasibility evaluation.
  - D. **Subconcessions.** All subconcessions must meet the terms and conditions of the prime concession contract. The partner must approve all subconcessions and notify Reclamation in advance of any authorization that needs Reclamation approval. Generally, subconcessions are discouraged in order to keep operations under single management.
  - E. **Concessions Building and Improvement Program.** All designs and construction must comply with applicable Federal, State, and local environmental and historic preservation laws and regulations and building code requirements. In areas where no State or local construction standards exist, Reclamation may provide appropriate standards. Where required and before construction, building permits must be obtained from local authorities by the concessionaire. All facilities will be harmonious in form, line, color, and texture with the surrounding landscape.
  - F. **Operation and Maintenance Plan.** Concessionaires will prepare an annual operation and maintenance plan, which must be approved by the partner. The concession contract must clearly state what the plan will contain. Reclamation can provide examples of such plans for the partner and the concessionaire.

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### G. **Reimbursement for Fixed Assets.**

- (1) A right to reimbursement may exist when a concessionaire places Reclamation-approved fixed assets on the Federal estate. Title to fixed assets must be established in the concession contract. Reimbursement of a concessionaire for fixed assets is the responsibility of the partner. The method for determining the amount of reimbursement and the method of payment will be specifically addressed in the concession contract between the partner and the concessionaire.
- (2) In the event the partner's agreement with Reclamation expires or is terminated without a commitment by both Reclamation and the partner to enter into another agreement, all the concessionaires' fixed assets and personal property must be removed from the Federal estate unless Reclamation decides to issue a new concessions contract and decides to retain the fixed assets. [See paragraph 4A(3).] The partner will be responsible for ensuring that the concession area is returned in a condition satisfactory to Reclamation.
- (3) It must be clearly stated that no financial obligation or risk will reside in the Federal Government for reimbursement for fixed assets or personal property as a result of the partner awarding a concession contract. All new concession contracts issued by the partner will address rights for reimbursement to the concessionaire for fixed assets. Interests in a concessionaire's fixed assets may not extend beyond the term of the management agreement. In addition, the concession contract must provide appropriate language regarding interests in fixed assets and methods of reimbursement, if any, to the concessionaire by the partner.

H. **Area of Operation.** Each concession contract will authorize and define only the physical area necessary to conduct the business activities allowed by the contract. Concession boundaries must be surveyed by the partner and easily recognizable by the visiting public.

I. **Additional Facilities or Services.** Any proposal for expansion of facilities or services must be reviewed by Reclamation and approved by the partner before the expansion takes place.

J. **Exclusive Use.** The contract must state that no new facility, service, or site determined by Reclamation to be exclusive use will be allowed. New, renewed, or modified concession contracts issued by the partner will include clauses that establish a timetable for phasing out existing exclusive use before the contract expires.

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- K. **Reclamation Rights.** All concession contracts must be subject to the rights of Reclamation and its agents to use the subject lands and waters for project purposes.
- L. **Termination of Concession Contract.** Concession contracts will acknowledge the right of Reclamation to terminate, for cause, any concession contract authorized by a non-Federal partner.
- M. **Total Benefits.** The partner will establish and recover fair benefits, including direct return and direct and indirect benefits, for the uses, rights, and privileges granted by a concession contract. For disposition of fees, see paragraph 4D.
- N. **Rates and Merchandise.** Rates charged by concessionaires for services, food, lodging, and merchandise will be based on charges for comparable facilities, services, and merchandise provided by the private sector in similar situations. The partner must approve the rates requested by concessionaires.
- O. **Concessions Safety Program.** Concessionaires are responsible for providing and ensuring a safe and healthful environment for both the visiting public and employees by developing, implementing, and administering health, safety, and educational programs to ensure that concession areas are managed in compliance with Federal, State, and local laws, rules, and regulations.
- P. **Environmental Compliance.** Concession contracts will address all activities with potential environmental impacts resulting from the release of hazardous materials to the environment including, but not limited to, the following: pesticides, herbicides, sewage effluents, petroleum products, and liquid waste (gray water). Concessionaires are required to follow all applicable Federal, State, and local laws, rules, and regulations related to hazardous substance use, storage, and disposal. Application for and acquisition of all required certifications and permits are the responsibility of the concessionaire.
- Q. **Food Sanitation.** Concessionaires' food services will comply with Federal, State, and local food handling and sanitation regulations.
- R. **Advertising and Signs.** The Reclamation logo or name, along with the non-Federal partner logo or name, will be displayed at all concession entrances used by the public. Outdoor signs or other forms of advertising on the Federal estate must be approved by Reclamation before they are displayed.
- S. **Sale of Personal Property.** The sale of personal property other than the approved concessions inventory is prohibited on the Federal estate. No party will be permitted to sell personal property, including vehicles, manufactured or mobile

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homes, house trailers, travel trailers, boats, or personal water craft, on the Federal estate.

- T. **Utility Services Provided by Reclamation.** The fee charged for utility services provided by Reclamation will be based on the recovery of full operating and replacement costs for utility capital investments and comparable utility rates. Utility services include, but are not limited to, electricity, power, water, waste disposal, gas, and communication systems.
- U. **Insurance Program.** Concessionaires must have and maintain an appropriate insurance policy that will indemnify the United States and meet applicable State requirements. All liability policies will provide that the insurance company will have no right of subrogation against the United States and must provide that the United States is named as an additional insured. The partner may establish similar requirements itself, but it must provide Reclamation with a copy of the insurance certificate that identifies the above conditions.
- V. **System of Recordkeeping.** Financial reports and records necessary for management and oversight of concessions must be maintained and available to the partner and to Reclamation upon request. At a minimum, each concessionaire will complete Reclamation's Annual Financial Report form(s).

### 7. Concessions Administration.

- A. **Annual Review and Evaluation.** All concession agreements issued by the non-Federal partner will require Reclamation and the non-Federal partner to conduct annual concession reviews and evaluations. The review should identify problems, solutions, and a timetable for resolving the problems in a written report. The non-Federal partner must ensure that any operational or administrative deficiencies noted by the review are corrected in accordance with the established timetable.
- B. **Nonprofit Organizations.** In certain circumstances, it may be suitable for cooperative associations or nonprofit organizations to sell goods or provide visitor services to meet the goals and objectives of both Reclamation and the partner. These associations and organizations must be approved by the partner if the cooperating association operates within a concession or elsewhere on the Federal estate. The cooperating association will be responsible for maintaining its accounting system, and the system cannot be combined with a concessionaire's annual financial report. Nonprofit organizations will also be given very clear instructions identifying the type of business they are authorized to conduct and the types of goods and services they may provide. All organizations must provide written proof of their nonprofit status to Reclamation and the partner.

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- C. **Employment of Reclamation Personnel or Family Members**<sup>1</sup>. Reclamation employees or family members may not be owners, partners, board members, corporate officers, general managers, or employees of any business providing commercial services on the Federal estate, nor may they have any financial interest in such a company. Ownership of stock shares traded in a recognized open market is not considered a financial interest under these directives and standards. Reclamation employees are further prohibited from using their public office for private or family gain. A Reclamation employee involved in preparing specifications, awarding a contract, or administering a concession may not be involved in that activity if the employee or a family member is involved in any phase or operation of that concession. Any Reclamation employee or family member responsible for any phase of a concession contract will be excused from duties related to the concession contract if the employee or a family member is involved in competing for the contract or if the Reclamation employee may benefit financially from the awarding of the contract.

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<sup>1</sup>Guidance on this issue should be obtained from an ethics counselor in the servicing Reclamation Personnel/Human Resources Office.

## PART 2

# CONCESSIONS PROSPECTUS PACKAGE STRUCTURE AND DEVELOPMENT

Part 2 of the Reclamation Concession Management Guidelines includes the:

***Prospectus (Chapter 1)*** – Presents the various components of the PROSPECTUS that will be issued to the public that interested parties (corporations, partnerships, and individuals) will use to guide them in their submission of an offer to compete for concession contracts. This chapter is broken down into SUBCHAPTERS (14) for ease of review. The SUBCHAPTERS are presented in the order that the PROSPECTUS should be assembled. However, in the actual assemblage of a PROSPECTUS, the term and reference to SUBCHAPTERS should not be used, as these are here for the Reclamation employee for navigating through these Reclamation Concession Management Guidelines.

***Concession Contract Template (Chapter 2)*** – Since an important component of and attachment to the Concessions Prospectus Package is a “Draft Concessions Contract,” this chapter presents a “Template” Concessions Contract. It is laid out in the proper order for all concession contract “Sections” and Exhibits.” There are numerous areas where there are specific “Notes to the Preparer” that provide options to consider regarding wording or inclusions depending on the particular Reclamation area. Some of this chapter can be utilized in basically a “fill in the blanks” approach, while other parts provide some level of discussion and considerations in “how to” complete or formulate a particular section. Again, just as with the previous discussion on chapter 1, there are numerous SUBCHAPTERS (16) that are only for ease in using these guidelines. The term SUBCHAPTER should not appear in an actual “Draft or Final Concession Contract.” Concession contracts are laid out in “Sections” and “Exhibits,” and those are all identified in this chapter.



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# CHAPTER 1 – PROSPECTUS

The purpose of these guidelines is to provide direction to the preparer of the concession contract prospectus. It is recommended that the prospectus be started when the concession contract is completed.

## SUBCHAPTER 1-1 – CONCESSION MANAGEMENT WITHIN THE BUREAU OF RECLAMATION

*Concession management information within the Bureau of Reclamation will be presented to offeror's as part of the prospectus.*

*In most cases, the preparer will not need to make any changes to the text in the Overview of the Bureau of Reclamation. The Overview should be suitable for most concession operations. The preparer may, however, omit or include any information deemed necessary for the concession operation being contracted.*

### AN OVERVIEW OF THE BUREAU OF RECLAMATION

The Bureau of Reclamation (Reclamation) was established by an act of Congress in 1902 (the National Reclamation Act). Reclamation is best known for the dams, powerplants, and canals it has constructed and operates throughout the 17 Western States. These water projects were a primary impetus for the settlement and subsequent economic development of the West. Since its inception, Reclamation has constructed more than 600 dams and reservoirs, including Hoover Dam, on the Colorado River, and Grand Coulee Dam, on the Columbia River.

Reclamation is a bureau within the U.S. Department of the Interior (Interior). Interior, through its various bureaus, including Reclamation, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service, manages much of the federally held public lands and natural and cultural resources in the Western United States. Reclamation operates under a mandate to use its land and water resources wisely. The mandate includes protecting fish and wildlife, preserving environmental and cultural values, and providing for public enjoyment through outdoor recreation. Reclamation also encourages stewardship and citizen responsibility for public lands and promotes citizen participation in the care of those lands.

Today, Reclamation is the largest wholesaler of water in the country. Reclamation is also the second largest producer of hydroelectric power in the Western United States, generating enough electricity to serve 6 million homes. Reclamation's 58 powerplants generate more than 40 billion kilowatt hours and nearly \$1 billion in power revenue annually.

Reclamation is a contemporary water management agency. Its Strategic Plan outlines numerous programs, initiatives, and activities designed to help States, Native American Tribes, and others meet their new and ever-changing water needs while balancing the multitude of competing uses, including recreation sites.

Reclamation is managed by a Commissioner and sets its policies under the direction of the Secretary of the Interior (Secretary) and through the Assistant Secretary of Water and Science.

## **MISSION STATEMENT**

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

## **VISION STATEMENT**

Through leadership, use of technical expertise, efficient operations, responsive customer service and the creativity of people, Reclamation will seek to protect local economies and preserve natural resources and ecosystems through the effective use of water.

## **RECREATION**

Reclamation provides more than 90 million visitors a year with water-based recreation opportunities at more than 300 reservoirs. Nearly 200 of these recreation areas are managed by non-Federal governmental entities, such as State and county parks. Many are managed by other Federal agencies, such as the National Park Service and the United States Department of Agriculture, Forest Service. There are eight National Recreation Areas on Reclamation projects.

Reclamation has also developed partnerships with non-governmental organizations such as Ducks Unlimited, Trout Unlimited, and America Outdoors to sponsor fishing and outdoor events in cooperation with local businesses and community groups. In addition to these partnerships, there are over 200 concessions operating on Reclamation projects. These concessions provide the recreating public with a wide range of facilities and services such as marinas, campgrounds, swimming beaches, equestrian centers, and golf courses. Fishing and boating are the most popular recreation activities at Reclamation areas, accounting for more than 27 million user-days on about 1.7 million surface acres of water.

## **CONCESSION CONTRACT MANAGEMENT**

The Secretary and the Secretary's authorized representatives have the authority to enter into concession contracts. Concession contracts provide Reclamation with a vehicle to allow private entities to provide the visiting public with necessary and appropriate facilities and services within Reclamation administered areas. Which facilities and services are necessary and

appropriate for a particular site is determined through Reclamation's planning process. Needs vary with the purposes of the different areas and circumstances of each area at the time of contracting.

Many Federal statutes directly apply to the management of concessions operating on Reclamation-administered land and water. State and local laws and regulations may also apply, depending on the nature of the area of operation's jurisdiction. Some areas are exclusively Federal in jurisdiction, while others involve State and local jurisdiction. The services to be provided under this concession contract are to be performed under the applicable laws, regulations, policies, and planning that exist now or will be established during the term of the concession contract.

## **CONCESSION PROGRAM MANAGEMENT**

Reclamation's Concession Program represents the interests of Reclamation through three subdivisions: area, regional, and Washington offices, including the Technical Service Center (TSC) in Denver.

At each area, usually one individual is assigned to be the concessionaire's immediate contact. When concession activities are minor in nature, the individual assigned to this task may be on concessions management duty only part time. For areas with larger concession operations, a full-time staff will support the area manager and manage the area's immediate relationship with its concessionaires.

For management purposes, Reclamation is divided into five regions, each with a regional office that provides various technical functions. In Washington, D.C., and Denver, Colorado, the staff of specialists makes Reclamation-wide policy recommendations to the Commissioner and resolves problem issues.

The TSC, in Denver, Colorado, can provide assistance to Regional Reclamation offices regarding concession management planning and other Reclamation programs. The TSC carries out concession planning as separate assignments or as part of overall area planning teams and undertakes a variety of special projects required to serve area goals.

## **PROGRAM MANAGEMENT – OPERATING PROGRAMS AND PRACTICES**

While the role of a concessionaire must include well-defined business-oriented goals and management, for the area/concessionaire relationship to be successful, the concessionaire must also meet the goals of the area and incorporate area objectives for visitor service and other matters into its own objectives.

Concessionaires and their staff are important members of the area community. Area visitors often have more contact with, and receive more information from, concession employees than from Reclamation area staff. These contacts can have a significant effect on the quality of the visitors' experience. Concessionaires may occupy important historic structures and have, through their operations, meaningful effects on area resources.

To manage these effects, Reclamation has developed operating programs, practices, and guidelines that allow Reclamation to supervise concessionaire activities in an orderly and consistent manner and establish certain unique approaches to the provision of hospitality and recreation services.

## **RESOURCE PROTECTION CONSIDERATIONS**

Reclamation expects its concessionaires to join in fulfilling Reclamation's mission and to give special attention to the preservation, conservation, and protection of area resources and the environment.

Routine business operations, educational activities, and employee programs must be conducted in accordance with all applicable environmental laws and in a manner that minimizes negative environmental impacts on the area and encourages others to do the same.

Issues and technologies change over time. The following provide some idea of Reclamation's current resource protection objectives.

1. Solid waste disposal is a major environmental issue as well as a costly problem. Concessionaires are expected to reduce, reuse, and recycle solid wastes. Concessionaires should actively work to reduce the amount of trash and waste generated by concession operations and the public at large, to acquire products with consideration given to the ability to reuse or recycle the product and its packaging, and to recycle all materials possible. An approach that minimizes such trash and ensures recycling, where possible, is necessary.
2. Water and energy conservation must be practiced in daily operations and incorporated into the design and construction of both rehabilitated and new facilities.
3. Concessionaire-operated tanks for building and vehicle fuels, whether Government or concessionaire owned, must meet all the requirements of Federal, State, and local laws and regulations. Concessionaire responsibilities include cleanup of spillage or leaks, demonstration of financial responsibility, and fulfillment of reporting requirements.
4. The effect of vehicles and other operations on air quality is of concern to Reclamation. Fuel and engine technology is evolving in ways that will benefit air quality. Concessionaires should adapt their operations to such changes when they are proven to be reliable and effective. The use of electric carts and other nonpolluting transportation is highly encouraged.
5. Operations may be conducted in a natural area with a variety of wildlife. Concessionaires must conduct their operations under Reclamation direction for mitigating human/wildlife interactions.

6. Employee orientation programs and development must genuinely emphasize the importance of the area's natural and cultural resources and the necessary consideration for those resources by all employees.
7. The Integrated Pest Management Program ensures that the use of chemicals to control plant and insect pests is strictly regulated to minimize such uses and that such applications are the last resort in control efforts. The concessionaire must work with the area's Reclamation officials to incorporate this program in its operations and in the areas for which it is responsible.

The overall objectives of resource protection are to (1) conduct operations in a manner that uses efficient and cost-effective approaches that minimize negative impacts on our environment and (2) encourage others to do the same.

## **CONSTRUCTION**

All construction should harmoniously integrate with the environment. Facilities that are historic or cultural resources should be managed to maintain their intrinsic qualities through sustained conservation. Architectural style, design elements, and construction materials should reflect the area and its history.

Plans and specifications for any and all construction and landscaping development on Government-owned lands assigned to the concessionaire must be approved, in writing, by Reclamation before the work may begin. Plans must be prepared in accordance with Reclamation standards.

All concession-related construction activities must conform to nationally applicable codes, such as the Uniform Building Code and the National Fire Protection Association codes, including the National Fire Code, in the latest editions. Regional and local codes are to be adhered to when they are more stringent than national codes or address unique issues. Even where area jurisdiction requires adherence to local codes, concession-related construction will conform to any higher standards in national codes. The seismic safety standards are to be applied to new buildings designed and constructed within Reclamation.

## **INTERPRETATION**

Reclamation expects that its concessionaires will, in appropriate ways, assist area visitors and concession employees to interpret natural and cultural resources in an effort to instill an appreciation of the area of operation and the surrounding region. Concessionaire interpretive messages should include safety, local resource management issues and objectives, history of the area, and interpretive themes. These opportunities and responsibilities are more specifically identified in the contract and Operating Plan for this operation.

## **RATES**

Rates and prices charged by the concessionaire are subject to approval by Reclamation. Reasonableness and appropriateness of rates and charges for concessionaires will be determined by Reclamation primarily by comparison with businesses operating within a competitive environment (outside the Reclamation area) that provide similar services, operating under similar conditions, with allowances made for length of season and provisions for peak loads, accessibility, cost of labor and material, and type of clientele. Other factors deemed relevant will be considered.

To reduce Government expenses, the concessionaire will be required to provide reduced rates for lodging and transportation to Government employees on official business. Reduced rates under this program may be provided for lodging and transportation and other specified services necessary for conducting official business only in accordance with guidelines established by the Secretary. All other rates for all other goods and services are the same for Government employees and their dependents as for other general area visitors.

## **EQUAL OPPORTUNITY**

Reclamation is interested in having its concession operations reflect, through its employees, the cultural and ethnic diversity of the area in which they operate and of the Nation as a whole. Reclamation believes that a varied and diverse concession workforce will better serve the increasingly varied and diverse visitors who use the Nation's Reclamation areas.

## **FACILITY AND RECLAMATION ACCESSIBILITY**

The concessionaire will be required to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG) for buildings and facilities. Compliance with ADAAG meets all accessibility requirements under the Americans with Disabilities Act and section 504 of the Rehabilitation Act.

An offeror must demonstrate a commitment to full participation for persons with disabilities. This commitment must present opportunities for both mainstreaming individuals into the normal use patterns of concession facilities as well as demonstrating the willingness to provide specialized accommodation and programs.

Reclamation recognizes that there are significant variations among concession activities regarding the possible range of accessibility and accommodation. However, each concessionaire will be expected to handle accessibility issues and inquiries in a supportive and assisting manner that provides maximum opportunities for persons of all disabilities.

## **UTILITIES**

Where utility services are readily available, concessionaires will be required to obtain them from local sources. In other circumstances, Reclamation may furnish utilities to concessionaires. Rates for services furnished by Reclamation shall be based on actual development and operating costs and shall be in accord with procedures established by the Secretary.

## **MAINTENANCE PLAN**

The Maintenance Plan provides area-specific information about required maintenance. The plan will describe the interaction of area maintenance activities with concessionaire activities and will specify and describe any maintenance tasks unique to the particular area that must be performed by concessionaires and those, if any, that will be the responsibility of Reclamation.

The concessionaire generally will be required to maintain, repair, and perform improvements on all assigned concession facilities, including cyclic maintenance, ground maintenance, and landscaping and to perform all necessary “housekeeping” activities associated with the concession operation to the satisfaction of Reclamation. Reclamation, in consultation with the concessionaire, will determine the specific maintenance responsibilities and establish priorities and projected completion dates.

The Maintenance Plan will be initiated at the area level and signed by the area manager. Such plans may not alter provisions in the body of the concession contract document or Reclamation policy.

The initial Maintenance Plan is exhibit F of the draft concession contract. In the Proposal, the concessionaire is provided the opportunity to propose changes or additions to the initial Maintenance Plan that will be reviewed by Reclamation in the Proposal evaluation and selection process. If appropriate and amenable to both the concessionaire and Reclamation, the concessionaire’s proposed changes will be incorporated into the final concession contract as an amendment to the Maintenance Plan.

## **THE OPERATING PLAN**

The Operating Plan includes such details about the operations as are necessary for the concessionaire and Reclamation to operate smoothly together and provides the concessionaire with information as to what specific operating practices are considered appropriate and satisfactory.

Operating Plans may address such issues as hours of operation, scope and quality of service, management information, lost and found procedures, reservations, advance deposits, cancellation and refund policy, convention policies, rates, safety, sanitation, security, health care, concession employees and employment, complaint review process, and prior notification of changes in key management staff. The Operating Plan is initiated at the area level and signed by the area manager. Such plans may not alter provisions in the body of the contract document or Reclamation policy.



The initial Operating Plan is exhibit G of the draft concession contract. It will be reviewed at the discretion of Reclamation and changes will be made as determined appropriate by Reclamation. If appropriate and amenable to both the concessionaire and Reclamation, the concessionaire's proposed changes will be incorporated into the final concession contract as an amendment to the Operating Plan.

## **SALE OF SOUVENIRS AND HANDCRAFTS**

The selection and sale of gifts, souvenirs, and handcrafts in areas administered by Reclamation is restricted by Reclamation and is limited to those that are appropriate for the public's use and appreciation of the area. The sale of appropriate handcrafts associated with, or interpretive of, an area is especially encouraged. The concessionaire will work with the area and its staff to determine what type of merchandise is most appropriate for the area.

## **INSURANCE**

The contract will require the concessionaire to purchase and maintain various types of insurance. Minimum coverage limits, as required, are provided in exhibit I of the draft concession contract.

The contract will require the concessionaire to insure any buildings, structures, equipment, furnishings, and merchandise used in the operation. In addition, the concessionaire must carry liability insurance adequate for the types of activities it conducts.

## **PREFERENCE IN AWARDING OF A NEW CONTRACT**

No new Preferential Right of Renewal will be awarded in this contract or in the future.

## **SUBCONCESSIONAIRES**

Subconcessionaires are not authorized under this concession contract.

## **HISTORIC PRESERVATION AND THE *NATIONAL REGISTER OF HISTORIC PLACES***

Facilities used by some concessionaires may be on, or eligible for, the *National Register of Historic Places*. These must be maintained in accordance with the Secretary's Standards for Historic Preservation.

If such facilities will be used by the concessionaire under this contract, requirements will be more fully described in the applicable contract. The preferred approach is to use a Historic Structures Report as a source to understand the significance of the structure and a Historic Structure Preservation Guide to become aware of maintenance techniques and standards. If such

documents do not exist for these facilities, more detailed project consultation will be required before working on the affected buildings. Carrying out such maintenance requires specially trained maintenance staff.

## **COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS**

Concessionaires operate on Federal land but within the jurisdictional framework established by the area office. Federal statutes apply to concession operations. State and local laws and regulations may also apply.

## **RISK MANAGEMENT PROGRAM**

The concessionaire will develop, maintain, and implement a documented Risk Management Program as part of its proposal. This written program describes procedures, policies, and documentation for a process to minimize incidents and accidents that will affect the visitor, concession employees, and the facilities. The program is described in exhibit M of the concession contract.

## **PROGRAM MANAGEMENT – FINANCIAL PROGRAMS AND PRACTICES**

The intention of Reclamation is to contract with private businesses and individuals to conduct concession activities that are necessary to achieve area goals rather than to have the Government conduct those activities directly. Reclamation requires the payment of a franchise fee based on the probable value of the opportunity provided by the Government. In addition, Reclamation may require that the concessionaire establish and maintain a Reserve Account for Facilities Improvements (RAFI) with monthly deposits calculated as a fixed percentage of concessionaire gross receipts.

Concessionaires will be required to complete Reclamation's Annual Financial Report.

## **CONCESSIONAIRE PAYS OPERATING COSTS**

The costs of operating the concession will be covered by the concessionaire.

## **REAL PROPERTY IN AN AREA BELONGS TO RECLAMATION**

If real property improvements are made, the title to those improvements will belong to the United States unless stated otherwise in the contract. However, under the terms of the applicable contract, the United States may have an obligation to compensate a concessionaire for the residual value of real property improvements funded by the concessionaire during the term of the contract. This obligation to compensate concessionaires for the residual improvement value is referred to in the concession contract as "Capital Investment Recovery (CIR)."

## **REAL PROPERTY OUTSIDE THE AREA BELONGS TO THE CONCESSIONAIRE**

Concessionaires who invest in real property outside an area for the purposes of supporting in-area operations are not obliged to sell that property to an incoming concessionaire. The Government will not compensate concessionaires for residual values of such property or require a succeeding concessionaire to purchase such property.

## **PERSONAL PROPERTY BELONGS TO THE CONCESSIONAIRE**

Concessionaires, not the Government, are the owners of most types of personal property. The Government will not require a succeeding concessionaire to purchase such personal property. Government property, if any, will be identified in the concession contract.

## **CONCESSION CONTRACTS MAY NOT BE SOLD WITHOUT APPROVAL**

Concession contracts may not be sold or encumbered without the prior written approval of Reclamation. Reclamation is required to make certain findings before approving a sale, transfer, or encumbrance. Potential buyers of the concession contract must complete the same procedure required of original offerors, including completion of the proposal in its entirety, and the potential buyer must be determined qualified through a review process.

## **NO GUARANTEE OF PROFIT**

Reclamation makes no guarantee that the concessionaire will obtain any profit over the term of a concession contract or during any given year. It is the responsibility of the offeror to determine that the terms of the offer provide a reasonable opportunity for profit.

## **CONCESSIONS REVIEW PROGRAM**

The Secretary, through the area manager and the area manager's designated representatives, will maintain a continuing review of concession operations and management. This continuing review will determine if the concessionaire is complying with all provisions of the concession contract and will evaluate the concessionaire's operation to determine if the concessionaire is complying with operating standards. This Concessions Review Program will include, but not be limited to:

- Compliance with the Operating Plan.
- Compliance with the Maintenance Plan.
- The quality of the service rendered to the public.
- The prices that are charged the public.

- The condition of the premises.
- The appearance and conduct of employees.
- The degree to which facilities are properly maintained and repaired as required by the particular concession authorization.
- The nondiscrimination policies of the concessionaire with relation to both employment and service to the public.
- Compliance with the Risk Management Program.
- Compliance with the Environmental Management Program.
- Compliance with the RAFL.
- Compliance with U.S. Public Health Bureau standards and requirements and applicable State and local health codes.
- Compliance with practices that foster a safe environment for the public.
- Compliance with the various administrative, reporting, and financial requirements of the concession contract, including any applicable construction program.

Periodic written evaluations will be prepared by Reclamation officials on a schedule set forth in the Operating Plan. The evaluations will follow the procedures and requirements of Reclamation's Concessions Review Program. From these evaluations, an overall rating will be established. Failure to operate in a satisfactory manner, as determined by the Concessions Review Program, may be cause for termination of a concession authorization in accordance with the terms of this contract.

The Overview of the Bureau of Reclamation will be presented to offerors as part of the prospectus. It should give offerors background information on the agency.

In most cases, the preparer will not need to make any changes to the text in the Overview of the Bureau of Reclamation. It should be suitable for most concession operations. The preparer may, however, omit or include any information deemed necessary for the concession operation being contracted.

## **SUBCHAPTER 1-2 – PREPARING THE ADMINISTRATIVE DOCUMENTATION AND PROSPECTUS**

The prospectus is to be prepared in the following manner.

### **A. PROSPECTUS FORMAT**

#### **1. Pagination**

The preparer should ensure that clear, continuous page numbers are displayed throughout the entire prospectus, including all its various components. Each page should have a unique number and the page numbering must follow a logical ordering, (e.g., 1-345 or A1 to A115 and B1 to B185). When the page numbers are not continuous or unique throughout the entire bound prospectus, the proposals received by Reclamation will also lack a clear numbering system. Unnumbered pages can be very distracting, time consuming, and a potential source of misunderstanding.

#### **2. Table of Contents and Binding**

The bound prospectus should begin with a complete table of contents for the entire prospectus. The entire bound prospectus should include the following components, and it is recommended that they be bound in the following order:

- The business opportunity.
- An overview of the Bureau of Reclamation.
- An overview of the area of operation.
- Instructions to the offeror for preparing the proposal.
- The prospectus.
- The concession contract and its exhibits.

#### **3. Electronic Format**

An electronic version of the prospectus may be provided. This would be a package identical to the prospectus prepared using Microsoft Office Suite products.

### **B. THE APPENDIX TO THE PROSPECTUS**

Note that the appendix to the prospectus is a completely separate document from the prospectus and should be bound separately. The preparer must ensure that any reference in the prospectus to a document in the appendix to the prospectus is in fact provided in

the appendix to the prospectus. The appendix to the prospectus should have its own table of contents; however, the documents which compose the appendix retain their own format and pagination and do not require continuous page numbers. See subchapter 1-3, Guidelines for Preparing the Appendix to the Prospectus, for further information.

## **C. PROPOSED SALE AND TRANSFER OF OWNERSHIP**

In the event of a proposed sale and transfer of ownership, the parties interested in assuming the concession contract must submit a proposal with any necessary changes and amendments and undergo the standard bid review process. Furthermore, Reclamation must convene a review panel to ensure that the entity proposed to assume the concession contract meets all of the principal factors and standards established in the original prospectus. **There should be NO EXCEPTIONS to this requirement.** Reclamation legal forms must accompany any sale or transfer of ownership and can be found in the Reclamation Concession Management Guidelines, Chapter 6 “Assignment, Acceptance, and Approval of Sale or Transfer.”

## **D. INFORMATION PROVIDED TO OFFERORS FOR THEIR ACTION AND/OR RESPONSE**

By signing (original signature is required) the “Proposal for Concession Operation,” subchapter 1-12, the offeror agrees to Reclamation’s minimum requirements, provides responses to questions and evaluation criteria that will be used in the selection process, and identifies the franchise fee percentage it would pay if awarded the contract.

On the first two pages of the prospectus, fill in the name of the Reclamation region and area office where the concession is located; the type of services to be provided; the name of the official in charge of receiving the proposals and the official’s address; the Federal Express address (including telephone number); the area of operation; the proposed concession contract number; and the date that the solicitation will be posted in the *Federal Business Opportunity*. On the third page, insert the anticipated effective date of the new concession contract.

Following (subchapter 1-3) are areas of data that must be considered and developed by the preparer that provides direction and elicits responses from interested offerors.

### **1. Certificate of Corporate Offeror**

Leave this page blank. It is for the offeror to fill in, but only if it is a corporation.

## **2. Minimum Requirements (Part A)**

The purpose of Part A (see subchapter 1-12) is to set out a list of minimum requirements that must be satisfied for an offeror's proposal to be considered "responsive." In other words, if the minimum requirements in Part A are not satisfied by the offeror, its proposal will not receive any further consideration (it will be excluded from the review process). If there is no concession facilities improvement program (CFIP), omit the paragraph that refers to it (following the **NOTE TO PREPARER**). The preparer should also omit sections 6 and 7 of Part A if there will be no capital investment recovery in the concession contract.

## **3. Additional Principal Factors (Part B)**

Whereas Part A establishes the minimum requirements necessary to be considered a "responsive" proposal, Part B (see subchapter 1-12) establishes additional principal factors for the review process. Five principal factors are included in this part. If any one of these five criteria receives an unsatisfactory rating, the proposal will be eliminated from consideration.

Each offeror's bid will be evaluated based on its responses to the five principal factors. Under each principal factor, the prospectus provides detailed question and information requests designed to elicit responses from offerors that, together, will demonstrate the offeror's ability and qualifications to meet the requirements of that principal factor. This information will also facilitate comparison between bids. Responses to individual questions under each criterion will certainly be considered when evaluating each criterion, but they will be considered together with the answers to other questions for each criterion and will not be evaluated separately. In addition to soliciting responses from offerors, the principal factors require the offeror to develop an Environmental Management Program, Risk Management Program, and Gift Shop Merchandising Plan. The offeror is also asked to suggest changes or improvements to the Operating and Maintenance Plans as part of the principal factors.

While the preparer may tailor the questions to specific contract or area issues not addressed by the standard prospectus language, it is not generally necessary to revise the overall standard principal factors. The preparer must judge the impact that changes to the prospectus may have on proposals. Wording is important and can be neither too loose (making all offers acceptable) nor so tight (such that none of the offers is accepted) that any creativity by offerors is thwarted. The preparer should have clear goals in mind with respect to Reclamation's concession-specific and broader agency objectives when writing questions under each principal factor. If a question does not yield specific information that would be useful in judging an offeror's ability to meet the criterion, it should not be included.

Criteria requirements and questions can be written to establish low or high standards. Set the standards high if the analysis of the business opportunity demonstrates it is practical and warranted to do so. If the feasibility study and

analysis suggest that there will be few offers if the standards are set too high, the preparer may be justified in setting somewhat lower standards to elicit greater competition for the contract. Setting high standards will presumably result in better offers, but only if the business opportunity is correspondingly strong. The financial feasibility assessment should determine how stringent the requirements are, as stipulated in the prospectus.

For additional information, please refer to subchapter 1-11.

a. **Principal Factor 1** – The Responsiveness of the Proposal to the Objectives of Preserving and Protecting the Resources of the Area.

The reason for including the variety of environmental questions in the prospectus is to make the concessionaire aware of the potential environmental issues and hazards that might have to be confronted. Some prospective concessionaires might not be sufficiently aware of the issues or the efforts necessary to meet the environmental standards established by Reclamation. Therefore, this section should identify all key issues and require all offeror's to prepare an Environmental Management Program to address them. This will raise the standard of the offers with regard to environmental issues. The preparer should determine whether the requirements of the Environmental Management Program, as included in the prospectus, are appropriate for the concession operation being contracted. The preparer should omit any requirements that are not applicable to the concession operation. Additionally, the preparer may add any requirements that are necessary to meet the Environmental management goals of the area of operation.

***Criterion B1 (a) and (b)***

*The prospectus should include criteria B1 (a) and (b). Criterion B1 (a) asks the offeror to agree to develop an Environmental Management Program. The preparer should ensure that the requirements of the Environmental Management Program, as listed in this section of the prospectus, include all necessary requirements for the concession operation. Any environmental issues specific to the concession operation being contracted that should be addressed by the Environmental Management Program should be added to this section.*

*Criterion B1 (b) requires the offeror to describe experiences and qualifications relating to environmental management. This question also prompts the offeror to explain how the Environmental Management Program will be implemented.*



*Additional relevant questions may be added at the discretion of the preparer. The more detail the offeror's are required to include, the easier it will be for the review panel to differentiate between offers.*

b. **Principal Factor 2** – The Responsiveness of the Proposal to the Objectives of Providing High Quality Visitor Services.

The purpose of this section is to determine the capabilities of the offeror with respect to providing the required visitor services. Principal Factor 2 asks the offeror to elaborate on the Maintenance and Operating Plans and develop and submit a Risk Management Plan. Further questions may be included if appropriate to the type and size of the concession operation. The additional questions relate to authorized versus required services, CFIP construction plans, training about area resources, and thematic merchandising.

***Criteria B2 (a) and (b) Maintenance and Operating Plan***

*While the offeror must agree to the minimum requirements of these two plans, the offeror can propose additional services or changes that it would like to make to the plans. The review panel has the option to incorporate into the final concession contract those services or changes proposed by the offeror. The preparer may wish to add further questions here to identify operational changes that Reclamation believes are appropriate or desirable but were not included in the Operating Plan because of feasibility concerns. An example might be extended operating hours or a lengthened operating season.*

***Criterion B2 (c) Risk Management Program***

*All concession operations, including small owner-operators, are required to specify and implement a Risk Management Plan. Part of the reasoning behind asking a concessionaire, large or small, to include a Risk Management Plan in its proposal is to increase awareness of potential hazards and safety issues involved in dealing with the public and with the Federal Government. The offerors are required to address specific issues (stated in the prospectus) in the Risk Management Plan and design the Risk Management Plan so that the concession operation complies with the risk management performance standards. The performance standards that will be included in the prospectus are also presented in the concession contract. The preparer should ensure that the prospectus and the concession contract are consistent with each other.*

### ***Criteria B2 (d) and (e) Required and Authorized Services***

*These questions refer to the “required” and “authorized” services identified in section 2 of the concession contract. (See subchapter 2-1.) Required services are a mandatory contractual obligation. Authorized services are services that Reclamation would like to have implemented and are desirable but are not contractually obligated. The preparer should determine if both questions are appropriate based on what services, if any, are being “authorized.” If the only services identified in section 2 of the concession contract are all “required,” then Criterion B2 (e) should be omitted.*

*For a proposal to be considered responsive, the offeror must propose to provide all the required services. However, the offeror may propose to provide none or any number of the services from among any identified authorized services. The proposal evaluation process will consider the relative merits of the offerors’ proposals with respect to both required and authorized services. The concession contract will obligate the successful offeror to provide each of the services and only those services proposed—that is, all required services and whatever other authorized services, if any, that are proposed. Each of those services will be stipulated as a requirement of the final concession contract, subject to the appropriate contractual obligations and limitations. Authorized services should be displayed in priority of significance to the desired operation.*

*If Reclamation wishes, this section of the prospectus may invite the offeror to suggest additional “authorized services” that the offeror believes will be appropriate and in keeping with the basic parameters of the opportunity. Reclamation can either accept or reject any such proposals. Proposals with such suggestions that potentially enhance visitor experience or provide an added ability for the concessionaire to be financially successful will be considered a positive response. Such a response could not be judged as “in lieu” of any required service.*

*In other words, if an offeror does not propose to provide a particular service that is identified as an authorized service in the prospectus, that service will not be stipulated as a contractual obligation, and it will not be authorized under the final concession contract. However, if during the contract term, Reclamation and the concessionaire mutually agree that the concessionaire may provide a service that is not stipulated in the concession contract, the concession contract will be amended to include that service as a requirement of the contract, subject to the same contractual obligations and limitations as other stipulated services.*

### ***Criteria B2 (f) and (g) Area Resources Training/Thematic Merchandising***

*This section should be required of the offerors only if it is applicable to the concession operation being contracted. This section should be omitted if there is no retail operation or if it is unnecessary for the subject concession; e.g., slip rental only.*

*The preparer should select the appropriate question(s) for the type and size of the concession operation. For example, most small concessions with only a bait and tackle shop would not need to submit a Gift Shop Merchandising Plan. Larger concessions should include this type of statement, plans, and samples as described in Criterion B2 (g). The review panel will use this information to help determine the quality of the visitor experience that would be provided by each offeror. Other relevant questions may be added at the discretion of the preparer.*

- c. **Principal Factor 3** – The experience and related background of the offeror—including the past performance and management expertise of the offeror relevant to providing the same or similar visitor services as those specified in the concession contract.

The purpose of this principal factor is to enable the selection review panel to determine if the management experience, past performance, and background of the offeror meet the needs of Reclamation for the proposed concession operation. Reclamation review panel members should be aware that the resumes of key personnel are often misrepresented and embellished or included in proposals when the personnel are either not actually available or do not intend to work for the offeror. The only way to determine if the resumes contain false or embellished information is to conduct thorough reference checks.

Some entities may not be formally in existence at the time an offer is submitted. It is important that offerors demonstrate their ability to establish an entity that will become the concessionaire and be managerially and financially capable of carrying out the terms and conditions of the concession contract.

#### **No Subcontractors or Subconcessionaires**

No subcontractors are permitted. The selected offeror must be entirely and exclusively responsible for operating the concession services and facilities. There will be no exceptions to this rule.

### ***Criterion B3 (a) Business Structure***

*Keep all of these questions.*

### ***Criterion B3 (b) Management Capability***

*Note that not all these questions will be applicable to all concession operations. Use Criterion 1 and 2, but include only the remaining questions that are relevant to the operation. For example, if the concession contract calls for a very small shop, which is likely to be owner-operated, the preparer might omit questions regarding pre-screening, training, hiring, and termination of employees.*

*Criterion B3 (d) should only be used if the concession contract includes a CFIP. Omit this criterion if there was no CFIP identified in the feasibility study or intended for the concession.*

- d. **Principal Factor 4** – The offeror’s understanding of the Financial Needs of the Business and its Financial Capability to Meet the Necessary Financial Obligations.

The purpose of Principal Factor 4 is to establish a series of questions that can be confirmed through reference checks, thus establishing compelling evidence of credibility and financial capability of the offeror.

Reclamation employees and the selection review panel should keep in mind that, in proposals, financial commitments are often presented as being much firmer than they actually are; therefore, the reference check is very important. Collateral offered may actually be committed to other obligations and not truly available. Moreover, personal net worth offered to back the proposed venture is often neither as great nor as liquid as claimed, or it may be in the possession of people who are not as committed to the venture as asserted in the proposal. Reference checks are the only way to verify such information.

### ***Criterion B4 (a) Acquisition, Development, and Working Capital Needs***

*Frequently, concessionaires must make a substantial investment in the concession operation at contract inception to acquire or have available the assets necessary to run the concession. These assets range from facilities and equipment to inventory and simply cash in the bank to cover concession operating expenses. Since the availability of funds to meet these capital needs is so critical to the operation and success of the concessionaire, it is paramount that prospective concessionaires provide ample evidence they have real access to those funds and enable Reclamation to verify that access.*

*Reclamation should not accept an offeror’s value in a primary residence as a part of the collateral available. Such an action could potentially go beyond a reasonable financial risk.*

### **Criterion B4 (b) Understanding of the Financial Operations Needs**

*The questions are designed to elicit the offeror's understanding of the future concession operations. To enable a reasonable comparison of the offers, Reclamation must specify (1) projected future annual gross receipts for the concession operation and (2) the assumed future rate of inflation.*

*Future gross receipts for each contract year of the concession enterprise must be projected in the prospectus. The estimates should be derived directly from the feasibility study. Unless all offerors base their proposals on a common set of gross receipt assumptions, Reclamation will be unable to evaluate and compare the offers with respect to Principal Factor 5.*

*Unless Reclamation specifies an assumed future rate of annual inflation that is used by all offerors, it will make a comparative evaluation very difficult. For the pro forma annual income statements, place an annual inflation rate in the bolded brackets. At the time of writing of these guidelines, it was reasonable to assume a 3 percent annual rate of inflation. However, the rate of inflation used in the pro forma income statement should be reconsidered after 2003. There are many published inflation rates, and it is recommended that the preparer use the All Urban Consumers Index (CPI-u) published by the Department of Labor (or a similar CPI, should that index cease to be published). Use an average of the past CPI-u increases as the estimate for future inflation. Use the same number of historical years to calculate the average as are used in the forecast to be applied. In other words, if the concession contract is to be for 10 years and inflation is to be forecast for those 10 years, use the CPI-u rate of growth for the past 10 years.*

### **Pro Forma Income Statement**

The objective here is to see whether an offeror's cost structure appears to be out of line with industry norms—especially for its discretionary cost items such as officer salaries, overhead, and general and administrative expenses.

The concession's rates for goods and services will be similar to the rates for comparable goods and services in the local and regional markets. Reclamation's estimates of future gross receipts will be based on such rates, and offerors are required to base their franchise fee projections on those gross receipts. Therefore, rates to the public will not be an issue for the prospectus or proposals.

Offerors may feel they could charge higher rates. However, they will be cautioned by Reclamation’s estimates of gross receipts and the knowledge that Reclamation retains the right to make the final determination of appropriate rates, based on comparability, if a concessionaire’s rates should be out of line.

### **Pro Forma Cash Flow Statement**

The principal goal of the pro forma cash flow statement is to understand how offerors plan to manage their capital investment and working capital assets during the contract term. These are very important factors in evaluating the financial elements of offers.

e. **Principal Factor 5 – Financial Benefit to the Government.**

Include in this section Criterion B5 (a) Franchise Fee and/or Criterion B5 (b) Minimum Franchise Fee, as recommended by the feasibility study.

#### ***Criterion B5 (a) Franchise Fee***

*The offeror is asked to propose its franchise fee here as a percentage of gross receipts. Reclamation may wish to ask offerors to express the proposed franchise fee as a constant fixed percentage, regardless of the level of gross receipts, or as a “tiered” or “graduated” percentage that varies according to a range of gross receipts. The feasibility study should recommend the choice that is preferable.*

***The prospectus must state the future gross receipts that offerors are to assume when proposing the franchise fee. Unless all offerors assume the same set of gross receipts specified in the prospectus, their franchise fee percentage offers cannot be objectively compared with other offers.***

***Similarly, RAFI deposits must be specified in the prospectus, and all offerors must assume the same annual RAFI deposits when submitting their franchise fee offer.***

*Presumably, the gross receipt projections and RAFI deposits will be taken directly from the feasibility study. If a “tiered” percentage is requested, the particular revenue ranges for which different franchise fees might be proposed will be derived from the feasibility study as well. The revenue ranges entered in the example in bold should be adjusted according to the results of the feasibility study.*

### **Criterion B5 (b) Minimum Franchise Fee**

*Reclamation may or may not wish to specify a minimum franchise fee. Stipulating a minimum franchise fee is not recommended, except in special circumstances, such as when Reclamation is aware that a particular proposal is not going to result in fair market competition and very low fees would otherwise be proposed. For example, a minimum franchise fee would be recommended in a case where Reclamation knows, or suspects, that there would be only one or very few concessionaires bidding for a concession contract. If the concessionaire believes that it does not have any competition for a contract, it will tend to bid a very low franchise fee because it is practically assured of being selected for the concession contract. In such a case, Reclamation can use a minimum franchise fee to guarantee that the finalized concession contract is favorable to the Government. This may be the case when an incumbent concessionaire has a contract renewal preference right.*

*On the other hand, when concession bids are expected to be very competitive, the use of a minimum franchise fee might be a bad idea. Stating a minimum often tends to elicit lower franchise fee bids than might otherwise be obtained if no minimum was stated because offerors tend to set their franchise fee bid near the minimum fee level. Furthermore, minimum franchise fees are often contested in court and are very difficult to defend. For the large majority of prospectuses, the three paragraphs regarding a minimum franchise fee should be omitted. However, if the preparer determines that a minimum franchise fee is necessary, include one of the bolded and bracketed paragraphs that establish a minimum franchise fee in section 6A of subchapter 2-1 of the Draft Concession Contract.*

### **Criterion B5 (c) Minimum or Maximum Franchise Fee**

*In a rare instance, there may be a valid justification for a minimum or maximum franchise fee. This could be a benefit when Reclamation recognizes other significant area facilities and infrastructures in need of attention, such as when an accelerated development or construction schedule is desired for public facilities.*

*There may be instances where the preparer has identified significant need for a higher Reserve Account for Facility Improvement fee. Fees could be diverted through a bidding process to this account rather than offering a higher franchise fee.*

## **SUBCHAPTER 1-3 – PREPARING THE APPENDIX TO THE PROSPECTUS**

### **A. GENERAL GUIDELINES**

The Appendix to the Prospectus provides offerors with useful and necessary information that helps them to better understand the requirements of the prospectus. This information is not included as an exhibit in the concession contract and, therefore, is not part of the concession contract. Each appendix section is intended to stand alone with its own format and pagination.

It is recommended that the appendix include the sections set forth below. This list will also serve as the table of contents for the appendix.

Depending on the scope of a subject concession's facilities and operation, some of the following recommended sections may be excluded from the appendix. However, be careful when excluding a section. The preparer should thoroughly read the latest Reclamation Manual Directives and Standards to determine if there are any required items that must be included in the appendix. Do not exclude a section that is specified by the text of the prospectus/business opportunity. Do not reference anything in the concession contract or the prospectus that is excluded from the appendix. Add additional sections that are necessary for the clarity of the prospectus.

### **B. RECOMMENDED DOCUMENTS FOR THE APPENDIX**

#### **1. Area Historical Data**

The purpose of this document is to provide offerors with as much general data as possible to help familiarize them with the area and the concession operation. This would include: (1) information on area visitation over the term of the existing contract or over a specific period of time (e.g., 10 years); (2) information on influential aspects of the weather; (3) time of the operating season; (4) if there has been an unusual event, such as a fire, flood, drought, or tornado that substantially interrupted visitation or concession operations; (5) visitor demographics, such as the percentage of foreign, local, or regional visitation; (6) modes of transportation used to access the area—public or private auto, trains, boats, or planes; (7) any additional non-confidential statistical information that is available and would be informative to offerors; and (8) a general market analysis (if available) of similar types of services in the area.

Historical visitation figures are particularly important—preferably for 5 years or more and by month of the operating season. Visitation projections should also be presented monthly for as many years as will be the contract term—presumably derived from the feasibility study.



## 2. Historical Concessionaire Facility and Operational Statistical Data

The statistical data in this section characterize the use of concession facilities within the area of operation.

**Reclamation must be very careful about releasing historical financial information about the concession operation.** The Freedom of Information Act (FOIA) governs such release. In essence, it forbids the release of proprietary information from a concessionaire if the agency, after consultation with the concessionaire, determines that the release of the information would result in competitive harm to the concessionaire. **Therefore, unless Reclamation obtains written agreement from an existing concessionaire to release historical operating information contained in the concessionaire's financial reports to Reclamation, the prospectus should report only historical gross revenues—and only on the condition that the historical franchise fees paid were calculated on the basis of gross revenues.**

Franchise fee payments are public information. Therefore, historical gross revenues could not be considered proprietary information if the franchise fee was calculated based on the concession's gross revenues. Moreover, if franchise fees were calculated monthly from monthly gross revenues, historical monthly gross revenues can and should be reported in the prospectus.

Obviously, the converse is also true. If the franchise fee was not calculated based on gross revenues, historical gross revenues would be considered proprietary information

Historical data presented in this section **must not include proprietary information about the concessionaire's *historical* operating or financial conditions**. Such proprietary information would include any data about the concessionaire's historical operating expenses. Therefore, such historical expense data must **not** be presented.

It is not entirely clear whether historical campground or lodging occupancy percentages, number of meals served, average food and beverage guest check, boat slip occupancy rates, houseboat rentals, or other information about visitor uses of concession facilities should also be considered proprietary. Therefore, such historical data (even if available) should not be presented. It is not entirely clear whether the concessionaire's historical balance sheet information, such as end-of-year inventories, should be considered proprietary. Therefore, such balance sheet information should also **not** be presented.

Historical data on visitation to the area of operation are not proprietary. Data should be presented for the most recent period, preferably for the past 5 years. For new areas of operation, there will most likely be a lack of visitation statistics available. In such cases, an effort should be made to garner and present as much

relevant historical statistical data as possible from neighboring communities and sites that offer visitors similar recreation opportunities and services.

### **3. Projected Concessionaire Revenues and Costs**

Financial projections may be, and should be, presented in the prospectus. At a minimum, forecasts should be included for total gross concession revenues, revenues by concession department, and direct and indirect concessionaire expenses (in terms of both dollar amounts and percentages of gross revenues). The purpose of including revenue and expense projections in the prospectus is to decrease offeror uncertainty regarding the future financial performance of the operation. This should result in franchise fee offers that more accurately reflect the business opportunity.

These projections should be obtained directly from the feasibility study for the concession operation. Although it would be reasonable for the reader to infer that the forecasts were based on a review and analysis of the concessionaire's historical financial data, such projections would not violate FOIA as long as only the forecasts were presented.

Presumably, the feasibility study will consider any changes in future operating conditions that would affect the operating revenues and expenses. However, if no changes are anticipated, the expense forecasts should at least recognize future inflation and be rounded to the nearest hundred dollars or thousand dollars. Forecasts for overhead and for general, administrative, and officer salary expenses should be based on information provided in the feasibility analysis and not necessarily on the existing concessionaire's reported historical expenses.

Other relevant projections of concession operations should also be presented (e.g., total area visitation, campground and lodging occupancy rates, number of meals served, average food and beverage check, boat slip occupancy rates, and houseboat rentals). Such projections should also be taken directly from the feasibility study for the concession operation.

All revenue and expense projections provided in the prospectus must include the following statement:

*An estimate of future concession sales and certain operating expenses is provided by the Bureau of Reclamation for the convenience of offerors. The Bureau of Reclamation makes no representation as to the accuracy of these assumptions. Offerors are solely responsible for making their own assumptions. The Bureau of Reclamation will not be held responsible for the concessionaire not achieving the projected levels of revenues or expenses.*

#### **4. Area Location Maps**

The maps that are included in the Appendix to the Prospectus should include, but not be limited to, the maps that are included in exhibit B of the concession contract (subchapter 2-3). Maps should give a general orientation of the area of operation within the State and its proximity to major cities and towns. A map should be attached to the concession contract as exhibit B, showing the area assigned to the concession operation and the locations of all facilities within the area of operation, identifying the particular facilities that will be assigned to the concessionaire and those to be operated by Reclamation or others.

#### **5. Operation, Maintenance, and Environmental Plans**

Provide offerors with as much information as possible related to the offeror's operating, maintenance, and environmental requirements.

If the existing concessionaire's Operating, Maintenance, and Environmental Plans are considered useful representative models, it would be helpful to present those plans in the prospectus. However, the existing concessionaire's Operating, Maintenance, and Environmental Plans should be considered proprietary information if they are separate documents from the contract. If they are attached to the contract in some manner (e.g., as exhibits), they are not proprietary because the contracts are considered public documents. All future contracts should have both Operation and Maintenance Plans as attachments to the contract. Therefore, the preparer of the prospectus may not present the existing concessionaire's plans in the prospectus without first obtaining an agreement from the concessionaire (in writing) to disclose those plans to the public.

If the concessionaire does not agree to public disclosure of its plans, the preparer should at least specify the objectives and issues to be addressed in the Operating, Maintenance, and Environmental Plans—using such existing plans as may be considered appropriate models as sources to identify the objectives and issues but not the substance of the plans.

#### **6. Risk Management Program**

Specify the objectives of the Risk Management Program that offerors will be required to present in their proposals. The preparer of the prospectus may present a sample copy of a Risk Management Program that would be considered acceptable to Reclamation.

As for the existing concessionaire's Operating, Maintenance, and Environmental Plans, if the existing concessionaire's Risk Management Program is considered a useful representative model, it would be helpful to present it in the prospectus. However, the existing concessionaire's Risk Management Program should be considered proprietary information. Therefore, the preparer of the prospectus

may not present the existing concessionaire's program in the prospectus without first obtaining an agreement from the concessionaire (in writing) to disclose that program to the public.

If the concessionaire does not agree to public disclosure of its Risk Management Program, the preparer should at least specify the objectives and issues to be addressed in the Risk Management Program—using existing programs as may be considered appropriate models as sources to identify the objectives and issues, but not the substance of the programs.

## **7. Utilities**

Specify the utility services that Reclamation will make available to the concessionaire and those that the concessionaire will be expected to obtain from others or provide for itself. Provide future estimates of the levels of utility services that will be necessary over the term of the concession contract. The estimates of the costs of those services should be included in the expense projections addressed in item 3, above.

## **8. Capital Investment Recovery**

This section should be omitted if the concessionaire will not be granted the right to a capital investment recovery (CIR) in this concession contract. All subsequent sections should be renumbered. If the succeeding concessionaire will be required to pay the existing concessionaire for its CIR, this section must present the language in the expiring concession contract that specifies the formula for valuing the CIR.

Present an estimate of the CIR value that is to be paid by the selected offeror to the existing concessionaire. Include the following statement:

*If the compensation for CIR that is ultimately determined to be due the former concessionaire under the expiring concession contract differs from the CIR estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as not to affect the net financial impact on the new concessionaire. The Bureau of Reclamation maintains the right to approve the final determination of CIR.*

A complete inventory of CIR improvements shall be included in the prospectus, and an estimated or actual value shall be attached to each. A CIR inventory should be included as an attachment to the contract, and values should be specified upon award of the contract.

## 9. Reserve Account for Facilities Improvement

The concessionaire may be required to make an initial deposit into the RAFI in an amount determined by the feasibility study. This amount, if any, shall be specified here and in the concession contract itself.

Under a concession contract that includes a CIR for the concessionaire, the concessionaire is required to surrender to Reclamation all funds remaining in the RAFI at contract expiration. In concession contracts with a CIR, the final CIR compensation due the concessionaire will be calculated by subtracting this end-of-contract RAFI balance from the CIR value per the concessionaire's financial statements (assuming that the existing concessionaire is not the succeeding concessionaire). If the existing concessionaire is selected for the new concession contract, no payout for CIR needs to take place, and the unspent balance in the RAFI account will remain in place. Reclamation maintains the right but not an obligation, other than contractual, to buy down or out the CIR at any time during the contract or at the end of an existing contract.

Regardless, the prospectus must provide an estimate of the end-of-contract RAFI account balance. If an enterprise, other than the existing concessionaire, is awarded the new concession contract, the new concessionaire must make an initial deposit into its RAFI. The amount of the initial deposit will be the amount determined by the feasibility study for that contract and specified in the concession contract. Include the following statement:

*If the initial deposit made into the RAFI account by the successful offeror/new concessionaire differs from the RAFI deposit estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as not to affect the net financial impact on the new concessionaire.*

*An estimate of the unexpended balance amount in the RAFI is provided by the Bureau of Reclamation for the convenience of offerors. The actual RAFI value will be determined upon expiration of the existing concession contract.*

## 10. Personal Property

The new successful offeror is not required to purchase the personal property of the existing concessionaire, and the existing concessionaire is not required to sell its personal property to the succeeding concessionaire (successful offeror). Negotiating which items will be sold and the respective purchase prices should be left entirely up to both parties. Reclamation should not participate in any transaction involving concession-related personal property, with the following exceptions. In situations where there is particular property that Reclamation specifically does not want to remain in use or present at the site, Reclamation

should notify both parties and identify the items. In instances where specialized equipment or property is used that would otherwise be difficult to find or purchase, Reclamation may require this specialized property remain within the contract and the new concessionaire will be required to purchase it from the existing concessionaire.

The preparer of the prospectus should include estimates of the value of such property in the prospectus. Presumably, the estimated cost of such personal property will be included in the expense projections derived from the feasibility study.

If the existing concessionaire wishes to sell its personal property to the succeeding concessionaire, it should prepare a list or a summary by category and a value estimate of the personal property assets it would consider selling to a succeeding concessionaire.

The list may be included in the appendix, or instructions about how the offeror can obtain the list may be referenced within the appendix. Whether a complete list, a reference to the existence of such a list, or a value estimate of the personal property is presented in the prospectus, the following statement must also be presented:

*The existing concessionaire has provided a list of personal property that it may wish to sell and the proposed prices for that property. The list is provided by Reclamation for the convenience of offerors. However, offerors are under no obligation to purchase any of the existing concessionaire's personal property. Moreover, Reclamation makes no representation as to the comprehensiveness or accuracy of the list provided by the existing concessionaire with regard to the property available, its condition, or its value. Offerors are solely responsible for determining which, if any, personal property they will pay to acquire from the existing concessionaire and the price they are willing to pay.*

A suggested statement of the existing concessionaire's personal property value is:

*The total value estimated by the concessionaire is \$\_\_\_\_\_ (\_\_\_\_\_dollars).*

This might be followed either by the list of personal property and the asking price or the following statement:

*To receive a complete list of the existing concessionaire's personal property, contact:*

*Name:* \_\_\_\_\_

*Address:* \_\_\_\_\_

## 11. Approved Rates

The purpose of this section is to provide offerors with as much information as possible regarding the rates that may be charged to visitors for concession goods and services in the future so that they may accurately prepare their financial projections and franchise fee proposals. The concession contract requires that concessionaires charge rates that Reclamation considers to be “reasonable.” “Reasonable” rates are those rates that are generally consistent with and, therefore, “comparable” to the rates charged for the same or similar goods or services by businesses operating in a competitive market under similar physical and operational conditions as the subject concession. (A competitive market must have at least two other businesses in a close enough proximity that it can be reasonably assumed that inflated rates would meet with customers going elsewhere.)

Reclamation-approved rates that are being charged by the existing concessionaire and those estimated by Reclamation when making revenue projections should be included in this section. Rates should be listed in the form of a rate schedule that shows rates grouped by categories.

## 12. Underground Storage Tanks

Underground storage tanks that are not in compliance with current standards or that may be leaking hazardous waste may need to be replaced. Replacement and cleanup can be very costly. A schedule of the storage tanks that are known to exist, indicating their size, use, and location, should be included in the appendix. This section should include any information available about the condition of the tanks, whether they are in compliance with applicable laws, and the date of the last inspection. In situations where it is known that problems exist, the expense of repair, removal, clean up, or mitigation should be with the outgoing concessionaire. If Reclamation intends for a new concessionaire to take on the liability and expense of a known failed tank, the intention should be specified clearly in the prospectus and some type of financial mitigation indicated, e.g., reduced franchise fees or an extended term.

## 13. Concession Organization

Reclamation should describe the operating objectives and requirements in the prospectus. However, the prospectus should **not** describe the historical concession organization. It should **not** prescribe or recommend a future organization for the concession operation—either in terms of numbers of employees or an organizational structure. The prospectus should not recommend an organization chart for managing the operation. Historical information would be considered proprietary information. The future organization should be proposed by each offeror as a part of its Operating Plan for Reclamation’s review and approval.

#### **14. Existing Concession Contract**

If there is an existing concession contract, it may be helpful to include a copy. This will provide all offerors with the same available information as any current concessionaire in understanding proposed changes or alterations that could, even subtly, impact the offer.

#### **15. Area/Regional Interpretive Themes**

If there are any requirements elsewhere in the prospectus for thematic development of any type, it would be helpful and appropriate to include a list and brief explanation of various themes that are particular to the area. This will permit Reclamation to identify focus areas already determined applicable without the offeror having to attempt some type of analysis and perhaps inappropriate identification.

#### **16. Appropriate Planning Documents**

Copies of any plans or associated documents that could assist an offeror in completing any aspects of the submittal or in providing helpful information that could improve the overall package is appropriate here.

#### **17. Draft or Sample Merchandise Mission Statement**

This only applies if Reclamation is requiring a new concessionaire to have a Merchandise Mission Statement.

If there has already been a “Merchandise” or “Thematic” Mission Statement developed or even an outline or written discussion, it should be included. This will help tie together any “themes” identified in number 16 with appropriate or desired retail approaches. An example from another area could also be helpful in providing a general outline or approach if there is nothing locally applicable.

#### **18. Other Useful Data or Information**

Any other useful data or information not included previously should be added here. The purpose of including further data or information is to clarify the situation, financial or otherwise, eliminating as much uncertainty as possible, so that offerors are able to submit bids that most accurately reflect the operational and financial realities of the subject concession operation.

For example, special potential environmental problems or possible or expected changes in the transportation access system should be specifically described.



Any forms or format requirements for reports that the concessionaire is required to complete that are, for some reason, not included in the concession contract may be included here (e.g., the recreation use data report and the concession use data report).

# **SUBCHAPTER 1-4 – PREPARING THE DRAFT CONCESSION CONTRACT**

## **A. INTRODUCTION**

These guidelines are intended to provide guidance to Reclamation staff in preparing a concession contract (see template Concession Contract, chapter 2) tailored to a specific concession enterprise, using the template concession contract as a framework. These guidelines contain instructions for Reclamation staff (referred to as the “preparer”) on modifying or adapting the template concession contract language to suit the particular concession operation being contracted. The sections of these guidelines follow the order of the template concession contract.

The template concession contract includes blank spaces that preparers need to complete. These guidelines include examples and descriptions to assist preparers in answering the questions. Furthermore, to facilitate the preparers’ efforts, these guidelines explain the rationale and reasoning for the various elements and sections included in the concession contract.

## **B. GENERAL INSTRUCTIONS**

### **1. Complexity of the Concession Contract**

The appropriate level of detail for a concession contract depends largely on the nature and size of the associated concession enterprise. For example, if the subject concession is extremely small and provides a limited range of services, like a hotdog stand, it will be logical and appropriate to simplify a number of the concession contract’s sections. Generally, however, reducing the size of the concession contract solely for the sake of simplification is not recommended.

### **2. Terminology**

These guidelines refer to the

- Template concession contract.
- Draft concession contract.
- Final concession contract.

The template concession contract is the standard contract to be used as a framework for developing the concession contract. The concession contract is the contract that has been tailored for a particular concession operation by the preparer and will be presented in the prospectus for that concession operation. Basically, it represents what the final concession contract will be. The final concession contract is the document that will be signed by the concessionaire and

Reclamation and will display some changes from the concession contract to reflect data that have become finalized since the draft. As appropriate, the final concession contract may also reflect changes proposed by the new concessionaire, as approved by Reclamation, so long as they do not significantly alter the original direction and responsibilities presented in the prospectus for all offerors.

### **3. Underlying Philosophy**

The underlying philosophy that guides Reclamation concessions management and development activities emphasizes prudent use of public land and natural resources to provide outdoor recreation while also protecting and preserving environmental, cultural, and historical values and resources. The preparer should keep this in mind when preparing the concession contract. All the terms, conditions, and standards contained in the concession contract derive from this philosophy.

### **4. Laws, Regulations, and Policies**

Before preparing the concession contract, the preparer should read the latest Reclamation Manual Policy and Directives and Standards to determine if any recent amendments reflect changes or new rules that should be considered. Current Reclamation Manual Policy and Directives and Standards can be accessed on the Internet at <[www.reclamation.gov](http://www.reclamation.gov)>. Applicable public laws and regulations should also be reviewed and applied as appropriate.

### **5. Making Changes to the Concession Contract Language**

The concession contract is a legal document with precise wording. The placement of each word is important to the overall meaning of a passage. Accordingly, the template concession contract and exhibits should be altered only as indicated by the instructions to the preparer. In all cases, the preparer is advised to carefully read the concession contract from start to finish, including those portions that should not be edited, to ensure that he or she understands them. Any changes made to the contract are considered deviations from the standard language and should be reviewed and approved by the regional manager.

The preparer should note that when words are defined in the concession contract section entitled “definitions,” they will appear within the concession contract with the first letter capitalized. These capitalizations should not be changed. In some instances, words with multiple meanings may appear in the concession contract both in capital letters and small letters (e.g., structure [of tiered franchise fees] and Structure [for buildings, etc.]). The use of capital letters within this guideline follows the same use as within the concession contract to avoid confusion.

## **6. Completing Blank Spaces and Removal of Notes**

Whenever there is a bolded [**NOTE TO PREPARER:**], the preparer should be sure to remove the note from the concession contract because it is guidance intended only for the preparer and is not, under any circumstances, to be provided to offerors. Some of these notes were added to merely assist the preparer in locating blank spaces that need to be completed and that might otherwise be overlooked. When preparers have nearly completed the concession contract, it is highly recommended that they use the computer's search function and search for the word "note" to ensure that every blank space has been completed and that no notes remain in the document text for the offeror to see. The preparer should also be aware that there are several blanks to be completed in the concession contracts that are not indicated by [**NOTE TO PREPARER:**].

An important decision in the concession contract development process is whether to include a CFIP. This issue should have been resolved by the feasibility study. If there is a need for a capital improvement program, and such a program is found to be operationally and financially feasible, preparers should add CFIP wording to the concession contract as it is presented in the feasibility study. (See section 4H, subchapter 2-1, of these guidelines and of the concession contract for further discussion.) If there is no need for a CFIP, or if the feasibility evaluation indicates that a CFIP is not feasible, the preparer should not include a CFIP in the concession contract. In that case, place "NONE" in section 4H and omit any mention of the CFIP in the concession contract.

## **7. Contract Structure**

Appendix A to this subchapter identifies the sections normally expected to be present in all concession contracts within Reclamation. The sections are developed further in these guidelines.

## **C. IDENTIFICATION OF THE PARTIES**

For the concession contract that will be included in the prospectus, it is appropriate to leave in the three designations: corporation (including limited liability corporation), partnership, or proprietorship. However, only the appropriate designation should appear on the final concession contract that will be signed by the concessionaire and Reclamation. The two non-applicable designations should be deleted in the final concession contract.

## **D. DEFINITIONS**

The preparer should complete definition number 6, “area of operation,” by placing the **[Area Unit Name]** in the bolded brackets provided. Words defined in this section will appear within the concession contract with their first letter capitalized. The preparer should note that they are not erroneous capital letters, and the capitalization should be retained.

# APPENDIX A – DRAFT CONCESSION CONTRACT

## SECTION 1—TERMS AND CONDITIONS OF CONCESSION CONTRACT

### 1. Concession Contract Term

The length of the concession contract (term) will be determined by the feasibility study. Reclamation Manual Directives and Standards 2002 states: “The term of all contracts will be limited to the shortest period practical and will be based primarily on the new investment required of the concessionaire, as determined through the financial feasibility evaluation. The term of a contract requiring minimal or no new capital investment should generally not exceed 5 years. When a substantial investment is required, the term will be based on the financial feasibility evaluation. New contracts cannot contain renewal clauses.”

Completion of the CFIP, if any, is required by the concession contract. The contract should include wording to address possible noncompliance with the CFIP. This wording should state that failure to fully comply with the CFIP will result in either of the following:

- a. Early expiration of the concession contract (called the “alternate term” in section 1A of the concession contract).
- b. Termination of the concession contract. (This wording is found below in section 1B of the concession contract.)

Either section 1A or 1B (above) must be included if the concession contract includes a CFIP. If the concession contract includes a CFIP and the preparer elects to omit the alternate term provision of section 1A, the preparer must include the CFIP-related termination wording of section 1B. Note that the preparer should include a provision for the CFIP in either section 1A or section 1B, but not both.

When the concession contract requires a CFIP, include the alternate term provision that states that if the concessionaire does not complete the CFIP to the satisfaction of the Secretary and in the contractually specified time frame, the expiration date of the concession contract will be reset to an earlier date (effectively shortening the contract term). The alternate term will generally be easier to implement than the potentially lengthy and expensive process of finding the concessionaire in default and terminating the contract.

The date of the alternate term (the date of early expiration) should be reasonable and fully consistent with the contractually specified start and finish dates for CFIP implementation established in the feasibility study. For example, if the term of the concession contract is 10 years and CFIP implementation is to begin in year two and be completed by year four of the concession contract, it would be

appropriate to stipulate that if the concessionaire has not fully completed the CFIP by the end of year four, the concession contract's expiration date will be automatically reset to the end of the fifth year following the concession contract's inception. This will automatically shorten the concession contract term to 5 years. There is also the possibility, however slight, that the CFIP would need to be significantly altered or canceled through no fault of either the concessionaire or Reclamation (e.g., an environmental development, an act of God, or a national emergency), and in this case, it would be appropriate to shorten the term because of the reduced investment.

However, if the term of the concession contract is 10 years and the CFIP is to be implemented in the seventh year and completed by the end of the eighth year, the risk of an automatic expiration of the concession contract in the ninth year may not be much of an inducement to the concessionaire to fulfill their CFIP obligation. Therefore, the CFIP should require that construction commence at the earliest date feasible. In the event that there are multiple staggered dates for capital improvements over the entire course of the concession contract, the use of an alternate expiration date of the contract term may not be logical. In such a case, preparers should use the provision for termination in subchapter 2-1, section 1B, of the concession contract. As previously noted, preparers should not include both the alternate term provision from this section, section 1A, and the CFIP termination provision from section 1B.

## **2. Concession Contract Termination**

This section contains language describing the conditions under which Reclamation may terminate the contract. The contract language specifies provisions that the concessionaire must comply with, such as payment of franchise fees, submission of periodic financial reports and other reports, timely completion of a CFIP, periodic deposits into a RAFL, and compliance with a number of service, environmental, site, and facilities maintenance provisions. It is important to note that the concession contract may be terminated by Reclamation if the concessionaire breaches any portion of the contract, even if that portion is not specifically mentioned in this section.

If the concession contract requires the concessionaire to implement a CFIP, a provision regarding the CFIP should be included in this section, but only if the alternate term provision of section A is not included in the concession contract. Again, and as previously noted, the concession contract should not include both an alternate term provision and a termination provision regarding the CFIP.

As per Reclamation Manual Directives and Standards, preparers must abide by the administrative procedures described in 43 CFR 4, Office of the Secretary of the Interior, Department of Hearings and Appeals Procedures, in the event of a default.

### **3. Notice of Bankruptcy or Insolvency**

The concessionaire is required to give immediate notification of bankruptcy filings or other proceedings against the concessionaire.

### **4. Requirements in the Event of Termination or Expiration**

Any compensation due to the concessionaire upon contract termination or expiration is described in section 5 of this subchapter. If the concession contract is terminated or expires, the concessionaire must consent to the use by another operator of its personal property, excluding inventories, for up to 1 year, for a fee, to avoid interruption of services to the public. Upon termination of the contract, the concessionaire may be required to sell its existing merchandise inventories to the new operator, if requested by the Secretary.

### **5. Concession Contract Suspension**

Operations may be temporarily suspended, in whole or in part, by the Secretary with no compensation due the concessionaire. For example, a concessionaire's gas dock operation could be temporarily closed by the Secretary because of health and safety concerns, while the rest of the required services are allowed to remain operational.

### **6. Concession Contract Extension**

Concession contracts should not be extended beyond their original term, except under unusual circumstances. For example, if an existing concession contract is likely to expire before a new concession contract can be competitively awarded, it would be reasonable to extend the current concession contract until a new contract could be awarded.

In such a case, the existing concessionaire's contract can be extended for more than 2 years. An extension to the concession contract should be attached as an amendment to the concession contract and signed by both parties.

Reclamation should anticipate expiring contracts and begin working on a prospectus 2 years (minimum) before expiration. Extensions because of poor time management by agency personnel are inappropriate.

Multiple and lengthy concession contract extensions can have an adverse impact on the competitiveness of the contracting process. Another disadvantage associated with concession contract extensions is the deterioration of concession facilities and visitor services. Generally, concessionaires have less incentive to adequately maintain and repair concession facilities as their concession contract nears expiration. When concessionaires operate under short-term extensions, this



disincentive persists for even longer periods of time. The problem is especially acute for facilities assigned by the Government in which the concessionaire does not hold a CIR and for facilities in which the concessionaire is not interested in acquiring the subsequent concession contract. The preparer should be aware of this concern when addressing the issue of concession contract extensions.

**[NOTE: Long-term exclusive use is to be eliminated under all future contracts.]** If an existing concession contract that has allowed the concessionaire to issue permits for long-term exclusive uses is amended to allow for a contract extension, a new provision must be included that requires any such long-term exclusive uses be phased out as quickly as possible and according to a specific timetable.

## **7. Right of Renewal Preference**

Reclamation does not recognize any type of right of renewal beyond that already in force in some existing contracts. In accordance with Reclamation Manual Directives and Standards, the right of renewal is not an option in Reclamation concession contracting. The intention is to make the concessionaire bidding process highly competitive and, therefore, achieve the highest quality of visitor services and resource protection as well as the most favorable financial terms for the Government. In the instances where an existing contract authorizes some level of “Preference” for the next term, that wording will be honored but removed from the new contract.

## **8. Contract Sale or Transfer of Interests**

If a concessionaire wants to sell, assign, or transfer its interest in a concession operation to another party, the transaction must be formally approved by Reclamation. In fact, a proposed sale and transfer of interest is subject to the same submittal and evaluation process that is performed in awarding a new concession contract. The Reclamation Concession Management Guidelines contain a complete set of forms and guidance on how to process a transfer of interest. (See the Reclamation Concession Management Guidelines, Chapter 6 Assignment, Acceptance, and Approval of Sale or Transfer and Appendices.) The transfer may be approved or rejected or Reclamation can place conditions on an approval. A simple transfer because of a name change, internal reorganization (such as from corporation to limited liability corporation), death, retirement etc., within a family-owned operation can be expedited without fully completing the normal sale or transfer process, pending Reclamation approval.

## **9. Assignment, Sale, or Encumbrance of Interests**

Concessionaires must abide by any local, State, Federal, or other laws that would apply to the sale, assignment, or encumbrance of interests in a concession

contract. The preparer should note that the definition of Applicable Laws includes laws, rules, regulation, codes, and requirements, whether presently in force, or amended, enacted, or promulgated in the future.

## **10. Subcontractors**

No Subcontractors or subconcessionaires are permitted. The selected offeror must be the only entity responsible entirely and exclusively for operating the concession services and facilities. There should be no exceptions to this rule.

## **SECTION 2—SERVICES AND OPERATIONS**

### **1. Required and Authorized Services**

This section of the concession contract will identify concession services as either required services or authorized services. For a proposal to be considered responsive, the offeror must propose to provide all the required services. However, the offeror may propose to provide none or any number of the authorized services. The proposal evaluation process will consider the relative merits of the offerors' proposals with respect to both required and authorized services.

The concession contract will require the successful offeror to provide each of the required services and any of the authorized services included in the proposal and deemed appropriate by Reclamation. Each of those services will be stipulated as a requirement of the final concession contract, subject to the appropriate contractual obligations and limitations.

If an offeror does not propose to provide a particular service that is identified as an authorized service in the prospectus, that service will not be stipulated as a contractual obligation and it will not be authorized under the final concession contract. However, if during the contract term, Reclamation and the concessionaire mutually agree that the concessionaire may provide a service that is not indicated in the concession contract, the concession contract will be amended to include that service as a requirement of the contract, subject to the same contractual obligations and limitations as other stipulated services.

List the required and authorized services separately (subchapter 2-1, section 2A). Required services should include a detailed description of the services using a comparative example to indicate quality. For example: "The hotel facilities will be a four-star hotel as rated within the Mobile Star rating program. A restaurant could be compared with a "Denny's" or other known style of restaurant. The feasibility study should provide these descriptions. If it does not, the preparer should consider adding them. Such quality comparisons will simplify rate settings and approvals and give bidders a basis for the expected standard of

quality. The services should specify the number and types of rooms (e.g., 16 deluxe-view rooms, 50 standard), cabins (with or without kitchenettes), the number of campsites (for recreation vehicles, with or without utility hookup), the number of seats in restaurants, the counter-service requirements, etc.

Broad generalizations such as “any and all facilities and services customary in such operations” or “such additional facilities and services as may be required” should not be used. The preparer should include any unusual services that may be needed during special circumstances such as construction, peak season, anticipated special events, flooding periods, etc. For example, “The concessionaire shall provide at least four portable chemical toilets and facilities for washing, including daily maintenance service, at the golf course, the horse stable, the raft takeout, and special events, and during construction of the new restaurant.”

If necessary, add a maximum limit. For example, “The number of houseboat rentals will not exceed 25.” In addition or as an alternative, include a required minimum. For example, “The number of houseboats in operation will not be less than 20.”

In the last blank area provided, list the changes, removal, demolition, or phaseout of the existing facilities, services, fixed assets, or sites and the related completion dates. Select the appropriate wording from the choices given: change, removal, phaseout, and either facilities, services, fixed assets, or sites.

No concessions contracts that contain only authorized services will be permitted. Such a business operation requires time and effort for Reclamation to authorize and could result in no activity or business; furthermore, if the activity was only authorized and not required, then by its nature it is not a necessary service for the area.

Under no circumstances will long-term, private, exclusive use be permitted.

**Private Exclusive Use.**—Private exclusive use, also referred to as long-term exclusive use, is any use which excludes other appropriate public recreational use or users for extended periods of time. Historically, concessionaires have permitted visitors to occupy Federal estate for long periods of time, resulting in reduced public access to areas that were intended for short-term visitation. In many cases, permits have been renewed for many years, precluding other visitors from having access to Federal lands and facilities. Allowing this type of activity establishes a pattern of long-term exclusive use, which is strictly prohibited by agency policies. The concessionaire must not permit any visitor, person, or organization to occupy or use the subject services or facilities for an extended period of time, thereby precluding use by others.

Additional problems associated with exclusive use on Reclamation lands include violations of health, safety, and other regulations. Exclusive use undermines the public enjoyment of Reclamation resources and inhibits Reclamation’s ability to

protect the region's natural and recreation resources. In addition, exclusive use permittees may expose Reclamation and concessionaires to significant property damage and personal injury liability.

The concession contract contains language prohibiting exclusive uses and prescribes time-use limitations in the Operating Plan - Exhibit G (below in this subchapter) for campgrounds, houseboats, and other visitor facilities. This language should not be removed from the final concession contract.

## **2. Scope of Concession Services and Operating Plan**

This section of the concession contract references the Operating Plan. A template Operating Plan can be found in exhibit G (below in this subchapter). The preparer should identify any special operating requirements and modify the template Operating Plan (exhibit G) accordingly. Please refer to the section in exhibit G.

A concessionaire may be granted the right (*this use of the term "exclusive" is not to be confused with the unacceptable practice of "exclusive use" as identified in Reclamation's Concessions Management Policies [LND 04-01]*) to provide concession services within the area of operation. This means that a concession service or facility is the only authorized service or facility of that type allowed within the boundaries of the area of operation. Depending on the number of facilities or services that are expected to be authorized in the area of operation over the concession contract term, select the wording for authorizing the concession contract on either an "exclusive" or a "nonexclusive" use basis.

For example, if a reservoir currently has one marina, but a second marina may be authorized (within the term of the concession contract and within the same area of operation), the preparer should issue the concession contract on a nonexclusive use basis. However, if the concessionaire's marina will be the only marina in existence for the term of the contract and no further marinas are anticipated to be authorized over the concession contract term within the area of operation, the preparer may authorize the concession contract on an exclusive use basis.

The right to an area use will have considerable value to the concessionaire. Therefore, whether it is to be conveyed should be clearly indicated. However, if the preparer is uncertain, it is recommended that the preparer authorize the concession contract on a nonexclusive use basis, thereby erring on the side of caution. An exclusive right to operate granted to the concessionaire in no way allows the concessionaire to grant any visitors an exclusive right to use the Federal estate. The conditions described in section 2 of the concession contract (subchapter 2-1) pertaining to visitor use will always apply.

### **3. Legal, Regulatory, and Policy Compliance**

The first part of this section states that the concessionaire will comply with all Federal, State, and local laws and regulations. There are several items to be filled out in this section, each of which has been left blank. The preparer should add the name of the State(s) in which the area of operation is located, the name of the Secretary, the site name and address, the name of the person to whom the “Attention” should be addressed, as well as the name, address, and “Attention” addressee for the concessionaire.

The next section indicates addresses where correspondence between the concessionaire and Reclamation should be sent. In addition to facilitating communication between the concessionaire and Reclamation, this section will also ensure that the concessionaire has no basis for claiming to have sent correspondence or required notices to the wrong address.

### **4. Rates for Goods and Services**

This section stipulates parameters for establishing rates for goods and services and gives Reclamation a contractual right to require rate changes for goods and services. The preparer should refer to the “Concessionaire Rate Approval Program Guide” in the Reclamation Concession Management Guidelines for a detailed discussion of basic goods and services and rate authorization.

The third and fourth paragraphs in this section require the concessionaire to observe impartiality when setting rates.

### **5. Nondiscrimination of Service to Visitors**

Exhibit A describes the concessionaire’s requirements for nondiscrimination and accessibility.

### **6. Concessionaire Employees**

The concessionaire is required to provide the necessary personnel to implement the required and authorized visitor services. Employees must be courteous and hospitable.

### **7. Concessionaire Employment Conditions**

Reclamation requires concessionaires to maintain a drug-free environment and appropriate drug-free awareness programs for its employees.

## **SECTION 3—PROTECTION AND INTERPRETATION OF AREA RESOURCES**

**[Note: The following discussions on sections of the contract provide some basic, helpful information on completing the various required parts. Some of the headings have no explanation (e.g., Environmental Management Objectives, section 3.1). This simply means a discussion is not necessary in this part of the document but detailed examples are present in the Draft Contract in chapter 2.]**

### **1. Environmental Management Objectives**

### **2. Environmental Management Program**

### **3. Environmental Evaluation**

The preparer should amend the environmental evaluation standards to suit the subject concession operation. Not all standards will be applicable to every concession operation. The preparer may omit standards that are labeled First Priority (A) or Second Priority (B) if those standards are not applicable to the concession operation. The standards included in the final concession contract will form the basis for the environmental evaluation. For more detail on the environmental evaluation, please refer to the “Concessions Review Program” guidelines in the Reclamation Concession Management Guidelines.

### **4. Environmental Data, Reports, Notifications, and Approvals**

### **5. Corrective Action**

### **6. Indemnification and Cost Recovery for Concessionaire Environmental Activities**

### **7. Weed and Pest Management**

This section sets forth concessionaire requirements for weed and pest management. The preparer should determine whether an Integrated Pest Management Plan (IPM) should be required for the concession operation. If an IPM should be required, the following sentence should be inserted into the contract language.

**An IPM plan must be included in the Environmental Management Program. An IPM plan can be approved for periods of 3 to 5 years.**

If Reclamation determines that the concessionaire does not need to prepare an IPM, the following text should be inserted in lieu of the above text.

**The concessionaire shall submit in writing to Reclamation a request for necessary action on pest eradication. Only a certified qualified technician can apply the pesticide. The concessionaire is responsible for complying with all training (Federal, State, and local), operational requirements, and licensing requirements as may be pertinent to and required for the application of pesticides within the State of operation. Before any applications, Reclamation will be notified and provided a list of the specific chemicals to be used. The concessionaire must receive written authorization from Reclamation before the actual application or other action.**

- 8. Hazardous Materials**
- 9. Solid Waste Minimization**
- 10. Drainage and Stormwater Pollution Prevention**
- 11. Recycling and Conservation**
- 12. Wastewater Treatment**
- 13. Protection of Cultural and Archeological Resources**
- 14. Interpretation of Area Resources**

Reclamation may require concessionaires to interpret the natural and cultural resources to visitors and concession employees, instilling in them an appreciation of the area and its surroundings. If interpretive services will be required for the subject concession operation, the preparer should insert the word “required” in this section in the concession contract. If the provision of interpretive services will be left to the discretion of the concessionaire, the preparer should insert the word “encouraged” where indicated in the concession contract text. Interpretive messages from the concessionaire should reflect local resource management, the environment, human history of the area, safety, endangered species, and any other interpretive themes and issues identified by Reclamation.

## **15. Risk Management Program**

The Risk Management Program includes evaluation criteria for the safety evaluation. The general standards apply to almost all concession operations. There are, however, some instances where individual performance standards may not be applicable given the size and diversity of the concession operation. The preparer should select the elements that do not apply to the subject concession operation. However, unlike the environmental evaluation, first priority (A) deficiencies may not be waived for any concession.

## **16. Fuel Storage**

### **SECTION 4—LAND AND FACILITIES USED IN THE OPERATION**

#### **1. Assignment of Land and Facilities**

After an approved capital improvement is completed by the concessionaire, a Reclamation official must attach an amendment to exhibit D (subchapter 2-5) with the finalized “Substantial Completion of a Capital Improvement,” which must be signed and dated by both parties. See exhibit H in the concession contract (subchapter 2-9) itself for procedure details. For more information on exhibit D, see the section addressing exhibit D in the guidelines below.

#### **2. Concession Land and Facilities Assignment Withdrawals**

The Secretary reserves the right to withdraw at any time all or portions of the land and/or concession facilities the Government has assigned to a concession operation. Permanent withdrawal will be treated as a contract termination if the affected land or facilities are essential to provide the visitor services required under the concession contract.

#### **3. Reclamation and Concessionaire Improvements**

The purpose of this section is to differentiate between capital improvements that Reclamation pays for and capital improvements paid for by the concessionaire. This differentiation helps to establish that capital improvements made by Reclamation are not eligible for reimbursement, but authorized capital improvements made by the concessionaire may be eligible for reimbursement.

Improvements paid for by the concessionaire are concessionaire improvements. Improvements paid for by Reclamation are Reclamation improvements. The preparer should be aware that, during the term of the concession contract, when approved concession facilities improvements are completed and the



documentation verifying “Substantial Completion of a Capital Improvement” is signed, the subject capital improvement should be added to the corresponding exhibit D as an amendment, signed and dated by both parties.

#### **4. Personal Property**

The concessionaire holding the expiring concession contracts will not receive any CIR for personal property. (See Section 5 C, Compensation for Personal Property in subchapter 2-1.) And a new concessionaire will not be obligated to buy the personal property of the concessionaire holding the expiring concession contract. If the new concessionaire chooses to buy some or all of the personal property of the concessionaire holding the expiring concession contract, that transaction will be voluntary and the prices will be determined entirely by the two parties.

Reclamation may assign some Government-owned property to the concessionaire, and the concessionaire will be required to maintain the Government-owned property. The preparer should note that Government-owned property is listed in exhibit E (below in this subchapter), which must be amended and signed by both parties as items are withdrawn or added.

#### **5. Condition of Concession Facilities**

Potential offerors are informed in the prospectus of a site visit, which will be conducted before proposal submission, in which they tour and view the concession facilities and become acquainted with the condition of the site, facilities, and assigned Government property. The concession facilities and assigned Government property must be accepted by the offeror awarded the concession contract “as is,” as stated in the concession contract. For this reason, at least one site visit should be scheduled in the prospectus.

#### **6. Utilities**

The concessionaire should pay Reclamation for a reasonable portion of the capital and operating costs Reclamation incurs to provide the concession with utility services. The amount of payments should be determined in the feasibility study preceding formulation of the contract and prospectus. Accordingly, surcharges (“pass-throughs”) may be added to the rates for goods and services to cover concessionaire utility expenses, but only if it can be shown that those expenses are in excess of what a similar business would expect to pay outside the area. Operationally, the best way to address utilities is to look at what businesses are used in the rate comparability process pay.

## 7. Concession Facilities Improvement Program

Purpose of the CFIP: The purpose of the CFIP is to require the concessionaire to build or improve the concession facilities during the concessionaire's contract term. In addition to specifying particular capital improvements, the CFIP should address structure demolition, where necessary; removal of the demolished structure; and subsequent site restoration.

- a. **Planning.**—It is recommended that the preparer plan the CFIP before formulating the prospectus. The preparer should describe the CFIP in the prospectus and concession contract—specifying the type and quality of each capital improvement, the estimated improvement costs, and implementation timing for each improvement.

Therefore, the CFIP should be determined as part of Reclamation's (or its consultant's) evaluation and feasibility assessment of the contract. The description of the CFIP provided in the feasibility study should be included within the concession contract and the documents of the prospectus.

- b. **CFIP and RAFI.**—If Reclamation is unable to prescribe a specific CFIP before the prospectus and concession contract are prepared, Reclamation or its consultants should estimate the annual RAFI deposits necessary to provide enough funds to implement the kinds of capital improvements that are expected to be appropriate and necessary during the concession contract term. However, this approach is second best and should be used only if a specific CFIP cannot be developed for inclusion in the prospectus. If the requirements for facility expansions or rehabilitations are understood, they should be specified in the contract.

Concessionaires may fail to adequately maintain concession facilities, especially toward the end of their concession contract terms if they have decided not to seek a subsequent concession contract.

Because buildings deteriorate with age and neglect, it is necessary to include a CFIP agreement in the concession contract that will either add new facilities or rehabilitate and improve existing facilities. Occasionally, anticipated increases in visitation and, therefore, facility use will also warrant facility expansion.

- c. **Scope and Costs.**—The feasibility study will identify and describe each capital improvement of the facilities and their rehabilitation or expansion and the associated cost. According to section 4G, the CFIP scope, description, and costs should use the same development specifications, cost estimates, etc., that were presented in the feasibility study. The CFIP could also stipulate that the concessionaire pay for the removal of existing facilities and for site restoration, if necessary. For further details on the

procedures that must be followed by the concessionaire to implement a construction/capital improvement project. See Exhibit H, Improvement Project Procedures, below in this subchapter.

- d. **CFIP Component Start Dates, Expiration Dates, and Provision for a Shortened Concession Contract Term.**—The start and completion dates for the CFIP components should be clearly stated. The penalty for failure to complete on time may be either an automatic shortening of the concession contract term or contract termination. (See subchapter 2-1, section 1A, Terms of Concession Contract, and section 1B, Concession Contract Termination, and the following discussion for the rationale.)

If a concessionaire does not complete the CFIP as specified, it would represent a breach of the concession contract. Reclamation might pursue the usual process for determining whether there has been such a breach, giving the concessionaire reasonable time to cure, and then terminate the contract if the cure is not made within the time specified. However, this can be a time-consuming, costly, and difficult process. A more efficient alternative is to invoke a contract provision to automatically shorten the term of the concession contract to an alternative preset expiration date.

The shortened concession contract term is not the only penalty. If a concession contract is shortened (the alternate term provision) based on CFIP noncompliance, the concessionaire does not receive a CIR in any concession fixed assets.

- e. **Higher Franchise Fees versus Capital Investment.**—The timing and cost of the required investments under the CFIP will affect the proposed franchise fees. The more costly the CFIP, the lower the franchise fee bid, and visa versa. Therefore, if the primary Reclamation objective is to have extensive new concession facilities developed, Reclamation should be aware that the franchise fee bids will be affected, and the feasibility study should demonstrate how the target for one will affect the other.
- f. **CFIP and CIR.**—This section applies only to those contracts in which Reclamation will grant the concessionaire the right to a CIR. When such a right exists and a concessionaire invests in Government property by implementing an approved CFIP, the concessionaire will receive, at the end of its concession contract, a CIR. For the formula to calculate CIR, see Exhibit C, Capital Investment Recovery, below in this subchapter, and the guidelines on CIR in section 5 of the concession contract (subchapter 2-1). However, as discussed above, if the concessionaire does not implement the CFIP according to its specifications, Reclamation may invoke the alternate contract term provision and cancel the concessionaire's CIR holdings.

## 8. Maintenance Plan and Maintenance Obligation

This section of the concession contract sets forth the concessionaire's obligations to maintain the concession facilities according to requirements specified in the maintenance plan. This section should not be modified. Any changes to the maintenance requirements should be made in the actual maintenance plan, exhibit F (subchapter 2-7).

## 9. Reserve Account for Facilities Improvement

- a. **Purpose of a Reserve Account.**—The reserve account is intended to induce the concessionaire to set aside enough funds each year to provide an accumulation of funds sufficient to cover costs of making the necessary capital improvements in the concession facilities. Such capital improvements should be identified in the feasibility study. Without a requirement for a reserve set-aside, concessionaires may not have sufficient funds available when those capital improvements become necessary or are contractually to be implemented. Money deposited in RAFI must be used only to fund concession Improvements; it may not be used to fund facilities used exclusively by the Government. Therefore, Reclamation needs to be careful in making allocations to such capital improvements. Of course, some facilities, such as infrastructure, might be used by both a concessionaire and the Government.
- b. **Requirement for Reserve Account Deposits.**—The feasibility of implementing concession improvements with funds from a concessionaire-funded reserve account should be determined as part of the feasibility study and before issuing the prospectus. The feasibility study will demonstrate (a) the nature and appropriate timing of the capital improvement needs, (b) the estimated cost of the capital improvements, (c) the degree to which the concessionaire will benefit from such capital improvements in terms of a higher income stream, and (d) the concessionaire's ability to fund the capital improvements as needed.

The required capital improvements, their estimated costs, and the timing for making the capital improvements will then be specified in the prospectus and in the concession contract.

The annual amount to be deposited in the reserve account should be sufficient to accumulate to the amount required to meet the capital improvement investment program. The deposit requirements will be specified either in terms of a percent of gross concession revenues or as a fixed amount of money, or both—according to the feasibility study's determination. The deposit will not be voluntary. It will be a concessionaire's contractual obligation.

- c. **Use of Reserve Account Funds.**—As noted above, a feasibility study will normally specify the amount and timing of capital improvement funding for the reserve account. However, in some cases, Reclamation may not be able to estimate the costs or timing of particular capital improvements before entering into a new concession contract. In this case, the specific CFIP could be developed during the concession contract term. However, Reclamation will still want to estimate the approximate total cost of the CFIP over the concession contract term and, therefore, the annual reserve requirements.
- d. **Reserve Account Control.**—The reserve account will be the concessionaire's, and not Reclamation's, property. Therefore, the concessionaire will be required to control and manage the reserve in an interest-bearing account. Any accumulated interest on reserve account balances will become part of the account and available for funding capital improvements. (If the account were held by Reclamation, the funds would be required by law to go to the Treasury and would not be accessible for capital improvements without congressional approval.)
- e. **Funds Remaining in Reserve Account at the End of the Concession Contract.**—Although the reserve account is concessionaire property, its exclusive purpose is to fund concession improvements. Therefore, it is important to include the following provisions in the concession contract language: (1) The contract term shall be automatically shortened if the concessionaire fails to make required RAFI deposits and (2) any funds remaining in the RAFI must be surrendered to Reclamation upon contract expiration.

In concession contracts with a CIR, any funds remaining in the RAFI upon concession contract expiration will be made available to the subsequent concessionaire for capital improvements. To make these funds available, any end-of-contract balance in the RAFI will be deducted from the concessionaire's CIR. And the same amount of money will be the initial minimum deposit required from the new concessionaire as a deposit into its RAFI. If the existing concessionaire is selected as the succeeding concessionaire, any unspent RAFI funds and the CIR value are rolled forward into the next concession contract. The concessionaire may have to make an additional initial deposit into the RAFI; this amount, if any, will be determined by the feasibility study.

In concession contracts with no CIR, if the existing concessionaire is selected as the new succeeding concessionaire, the concessionaire may use any unspent RAFI funds to contribute to the total initial RAFI deposit required for the new concession contract. The feasibility study will determine the total amount that the concessionaire must deposit into the RAFI for the new contract.

Should a concession contract be terminated, or should it expire early as a result of a failure to complete the CFIP, any remaining unexpended funds in the RAFI will be forfeited by the concessionaire to Reclamation as a penalty. However, Reclamation officials should be aware that any forfeited money must, by law, go directly to the Treasury and cannot be held by Reclamation.

## 10. Livestock and Animals

If animals are authorized for use in the operation of the concession, they must be identified and listed in exhibit E (subchapter 2-6). To prevent the concessionaire from housing a greater number of animals than are authorized, the maximum allowable number of each type of animal should be indicated in exhibit E.

## SECTION 5—COMPENSATION

### 1. Just Compensation

This section seeks to limit and clarify appropriate and inappropriate sources for opportunities as they relate to concessionaire investment in facilities and personal property.

### 2. Capital Investment Recovery Compensation

- a. **Purpose.**—Concessionaires will not hold formal title in any capital improvements on lands administered by Reclamation; title in the capital improvements will be held by the United States. Instead, concessionaires may recover the depreciated value of their investment in those capital improvements. The preparer should choose between two options in the contract language. Under the first option, Reclamation guarantees compensation for assets that remain with the United States. Reclamation may choose this option when appropriated funds are available and when Reclamation wishes to guarantee the concessionaire a compensation value. Under the second option, the concessionaire is not given any right to, or guarantee of, compensation. The implications of both options are discussed below.

#### **(Option One) Contract with Concessionaire Right to Reimbursement**

In concession contracts that will include a guarantee for reimbursement for investment in fixed assets, the reimbursement shall provide concessionaires with fair compensation for their investments in concession-related fixed asset improvements on lands administered by Reclamation. These investments relate to existing concession capital

improvements assumed from previous concessionaires or from new capital improvements funded by the concessionaire during its concession contract term.

If concessionaires are reimbursed, they will be compensated for the unamortized value of any fixed assets that are determined by Reclamation to be needed for the subsequent operation. The subsequent concessionaire will compensate the original concessionaire upon assumption of the new concession contract. Compensation is referred to as CIR in the concession contract, prospectus, and all guidelines.

- b. **CIR Eligibility.**—For the concessionaire to be eligible for reimbursement, any new investment in fixed asset improvements must be approved in writing by Reclamation before commencement of construction. This approval shall specify the amount of money to be spent, the allowed depreciable life of the asset, and the construction details and schedule. Reimbursement is not available for concession improvements made with Reclamation funds.

Note that the reimbursement applies exclusively to capital improvements. It does not include a recovery value for personal property—that is, property not affixed to the realty. The concessionaire owns such property and holds no contractual right to receive compensation for that property. (See the discussion of personal property below in this subchapter.)

Upon expiration of their full contract term, concessionaires will receive compensation for authorized concession improvements they have funded (CIR). However, no CIR will be paid to a concessionaire if (1) its concession contract is terminated or (2) the concession contract expires at a shortened alternate date because of a failure to complete the CFIP to the satisfaction of the Secretary.

- c. **Capital Improvement Construction and Cost Approval.**—Section 5 of the concession contract (subchapter 2-1) requires the concessionaire to substantiate the cost basis for a reimbursement with documented evidence and, when merited, even an audit of its capital improvement-associated expenditures. An audit should be requested if the documentation provided is unclear or if Reclamation suspects that some of the expenditures were not associated with the subject capital improvement.

Reclamation shall determine the cost that will be used to calculate the compensation due the concessionaire. Arbitration is available to resolve disputes, but is not binding on Reclamation. The Secretary will make the final determination.

Advance approvals and consistency in record keeping by both parties from the contract's onset will likely eliminate or greatly reduce the level of disagreement regarding expected compensation at contract expiration or termination.

It is also very important that concessionaires meet their obligation to complete the CFIP as specified in the prospectus and the concession contract. Failure to do so will constitute a breach of the concession contract. Breaching the contract will result in either an automatic reduction in the contract term or outright contract termination. Thus, without the threat and enforcement of concession contract breach for failure to implement contractually stipulated capital improvements, a concessionaire may delay and even refuse to make the capital improvements specified—especially toward the end of its concession contract, when the returns from such capital improvements will be brief.

To give concessionaires the incentive to implement capital improvements using RAFI funds, the concession contract will stipulate (1) that any outstanding RAFI balance at contract expiration will be deducted from the CIR compensation due the concessionaire and (2) the subsequent concessionaire must establish its RAFI upon contract inception with a balance equal to the RAFI balance at the end of the previous concessionaire's concession contract. Use of these funds will induce concessionaires to implement capital improvement projects using RAFI funds to convert those funds to CIRs and increase their end-of-contract recovery. Using these funds will also make sure that any unspent RAFI funds at the end of one contract will, in effect, be carried over and made available to implement capital improvements during the subsequent concession contract.

- d. **Dispute Avoidance.**—The value of a CIR in an improvement is recoverable only when the accounting useful life of that capital improvement extends beyond the concession contract termination or expiration and only when termination is not because of concessionaire breach of contract. CIR compensation is calculated by a simple formula. CIR compensation is not determined by appraisers and, therefore, is not susceptible to the types of valuation disputes that can be very expensive, protracted, and even yield inappropriate results.

The CIR valuation formula is based on three components, all selected to minimize or eliminate potential for dispute: (1) the original approved cost to implement the capital improvement, (2) straight-line depreciation using depreciation schedules stipulated by the Internal Revenue Service (IRS) for tax purposes, and (3) an adjustment for inflation using published statistics, specifically the U.S. Department of Labor Statistics, CPI-u.

The original investment cost of a capital improvement in which CIR may be claimed will be preapproved by Reclamation, so any related dispute



should have been resolved at the time of implementation, as described previously. Straight-line depreciation is equal to annual decreases in value from the cost basis of the capital improvement to zero over a specified time period. Stipulating the time period allowed by the IRS for depreciating the particular capital improvement leaves no room for dispute. And the inflation adjustment will be derived from a specific statistical source, again leaving no room for dispute.

In developing the CIR formula, it was recognized that an asset's "life" based on IRS depreciation schedules might differ somewhat from the actual useful life of the asset. Indeed, some capital improvements might have useful lives that exceed the IRS schedule term. In such cases, it might seem more appropriate, and perhaps fairer, to compensate a concessionaire for the actual remaining useful life of the asset, thereby encouraging that concessionaire to better maintain the asset so as to extend its useful life and obtain a higher CIR. However, it was decided not to depart from the depreciation schedule allowed by the IRS for the following reasons:

*First*, Reclamation will presumably select only concessionaires who have a history and reputation for conscientious maintenance of their facilities. Such concessionaires might be expected to perform conscientious maintenance without additional incentives.

*Second*, it makes good business sense for concessionaires to properly maintain their facilities to attract visitors and justify the rates they charge.

*Third*, Reclamation will have the power to review and approve concessionaire maintenance plans and monitor concessionaire performance to check maintenance compliance. Reclamation can enforce compliance through the default section of the contract. If concessionaires allow their facilities to deteriorate significantly, Reclamation will have the right to find the concessionaire in breach of concession contract. Concession contract breach would mean the concessionaire would not only lose its future income stream, but it would also forfeit all its CIRs. (Stating that a concessionaire will lose all CIRs for any breach of concession contract is a very important point that should always be included in all concession contracts and never removed or modified.)

*Fourth*, concessionaires hoping to position themselves to win future concession contracts can be expected to properly maintain their facilities to obtain superior Reclamation maintenance reviews, particularly towards the end of their contract term.

Moreover, it has been found that allowing the remaining useful life to be subject to debate merely provides the concessionaire with an incentive to

spend money on attorneys, appraisers, accountants, architects, and engineers to dispute the Government's determination. That, in turn, requires the Government to also spend money on similar experts. Of course, the final determination might be left to the Secretary. However, that would still make the determination uncertain. It is more cost-effective and fairer to both the Government and concessionaires to simply eliminate the potential for disputes by using a clear and simple formula that is fixed at concession contract inception.

- e. **Who Pays for CIR.**—Reclamation will be responsible for paying concessionaires for their CIRs only if the contract is canceled or not renewed at the behest of the Government and not because of concessionaire performance failures. However, if the operation is to be renewed, it will be the subsequent concessionaire who will be responsible for compensating the outgoing concessionaire for its end-of-contract CIR. Therefore, if a concessionaire under an expiring concession contract obtains the next concession contract, it simply retains and receives no compensation for its CIRs at that time.
  
- f. **Capital Improvement Use Discontinuation.**—Under certain circumstances, an authorized capital improvement in which a concessionaire has a CIR may be taken out of use before the end of its useful life per the IRS depreciation schedules. The reason might simply be that Reclamation has decided that the use of the capital improvement should be discontinued because it conflicts with certain environmental protection or other Reclamation resource management objectives. Certainly, in such a case, the concessionaire should be compensated for its CIR in the capital improvement.

Another reason might be that the concessionaire decided to discontinue using the authorized capital improvement because it is no longer relevant to the operation or because it had a negative impact on the enterprise's profitability. This case is a bit more complicated. If the discontinuation places the concessionaire in the position of being unable to meet the contractual obligation to provide certain services, the concessionaire would be in contract breach, which may result in termination. If the concessionaire's contract is terminated for breach, the concessionaire relinquishes any right to any CIR compensation.

If the discontinued use of the asset has no real impact on the concessionaire's ability to meet its contractual obligations and does not result in the actual removal or demolition of the capital improvement, the concessionaire should receive CIR compensation for the capital improvement as it was authorized by Reclamation. Compensation for the CIR should be conveyed to the concessionaire only upon normal termination of the contract. However, if the concessionaire removes or

demolishes the capital improvement and it is, therefore, not available for use beyond the contract term, the concessionaire should receive no CIR compensation for that capital improvement.

- g. **Fair Market Value Limitation to CIR.**—In most cases, the formula (original cost less depreciation) will be appropriate and sufficient for determining the reimbursement value. Normally, a concession enterprise's income stream will be high enough to yield a reasonable return on the concessionaire's capital investment. In that case, the fair market value of the improvements will be at least as large as the value calculated using the formula. Therefore, it would be appropriate for Reclamation to compensate the concessionaire for fixed assets according to the formula.

However, if the concession enterprise's income stream is lower than expected, it might not yield a reasonable return on the invested capital. In that case, if Reclamation were obligated to pay the concessionaire for its investment in fixed assets according to the formula, Reclamation would have to pay more than the improvements would be worth.

Therefore, if Reclamation were obligated to reimburse the concessionaire exclusively according to the formula, Reclamation (and not the concessionaire) would bear the financial risk that the enterprise might not yield as high a return as expected. In that case, concessionaires would have little incentive to keep their capital investments in line with conservative income projections. If concessionaires knew they would be compensated for their capital investment regardless of the income generated and thought there was even a small possibility that a higher capital investment might yield a higher income stream, they would make the higher investment, and Reclamation would be unable to pass the cost along to a future concessionaire. Because the future income stream would not justify it, Reclamation would have to compensate the future concessionaire for the capital investment, and Reclamation would have to absorb the entire financial loss by itself.

For that reason, reimbursement value is limited by the fair market value of the Capital Investments. Appraisers apply three methods to calculate fair market value—comparable sales, replacement cost, and income approach. However, a Reclamation concession will likely be so unusual and isolated that comparable sales will not be available and replacement costs will not be useful. The reimbursement formula reflects an approximate replacement cost value, and the fair market valuation is being required by the fact that the income stream will not support a replacement cost value. Therefore, the income approach is the only method to be applied.

Calculating a fair market value for a fixed asset can be complicated and time consuming. However, Reclamation may avoid the effort of calculating the fair market value if the concessionaire defaults on the

contract. Therefore, the contract clearly specifies in section 5B (subchapter 2-1) that a concessionaire's right to reimbursement will be forfeited if it defaults on the contract for any reason.

If the concessionaire does not default and the CIR fair market value is suspected to be less than the value calculated by the formula, CIR fair market value would be the discounted net present value of the concession's future income stream associated exclusively with the capital investments for which the concessionaire holds the CIR. That means the CIR would not capture the entire discounted net present value of the projected income stream. The calculation must recognize that some portions of the discounted net present value of the concession income stream do not derive from the concessionaire's investment in improvements. Some derive from Reclamation contributions. Those include concession income-generating values from (1) Government-funded improvements used by the concessionaire, (2) Government-owned land under the concession's commercial and residential operations, and (3) other rights and privileges granted to the concessionaire under the contract. Those values belong to Reclamation and are not part of the concessionaire's CIR. The calculation must also recognize that a portion of the concession's income stream derives from its investment in personal property in which it does not hold a CIR. The concessionaire has a separate right to recover the value for its personal property. Therefore, including that value in its CIR valuation is compensating the concessionaire twice for the same value, and that would be a mistake. Thus, the concessionaire's CIR is calculated by subtracting Reclamation value contributions and the concessionaire's personal property value from the discounted net present value of the concession's future income stream.

- h. **Additional CIRs from Further Capital Improvements or Additions to a Structure.**—This section addresses the method of valuing CIRs for further capital improvements or additions to existing capital improvements. Both are handled the same way. The CIRs for both further capital improvements and additions are added to the CIR already existing for the basic capital improvement to which the further capital improvement or addition is applied. However, Reclamation recognizes that the lives of the CIRs for the further capital improvements and additions will be different from the basic capital improvement, possibly extending beyond the life of and, therefore, the CIR for the original capital improvement. Therefore, the CIRs for rehabilitations and additions are calculated and tracked separately from the CIR for the original capital improvement.

Certainly, some portions of such further capital improvements or additions may replace certain components of the original capital improvement—such as roofs or heating, ventilation, and air conditioning systems. In which case, it would seem appropriate to subtract the portion of the CIR for the original capital improvement that reflected the value of the

component being replaced. However, doing that would be so complicated and open to dispute that it is neither recommended nor prescribed. As a result, some amount of double counting within CIR values for the original capital improvement and for schedule and inflation adjustment can occur. If such a calculation is possible, the concession contract provides for performing it and adjusting the CIR accordingly. However, if it turns out to be too difficult to perform, Reclamation may simply ignore the subtraction and treat the replacement like an improvement addition (as discussed above). The reason is the same as for the improvement addition. The value difference is not likely to be large enough to warrant a special calculation effort or the time or cost to counter a dispute by the concessionaire.

- i. **Repair and Maintenance.**—Normal repair and maintenance should not receive a CIR. To differentiate between repair and maintenance and capital improvements, the concession contract specifies that all facility capital improvements performed more frequently than once per 7 years are considered repair and maintenance. No CIR will be granted for repair and maintenance improvements. The problem is determining the line between “normal” repair and maintenance and a capital improvement, for which a CIR would be appropriate. The line specified is somewhat arbitrarily set at 7 years. That is, any expenditures made on facility improvements more than once within a 7-year time period will be considered to be repair and maintenance—for which no CIR will be granted. Any expenditure on facility improvements made less frequently than once every 7 years is considered capital improvements and would receive a CIR.
- j. **RAFI Funds.**—It is necessary to consider the funds that a concessionaire deposits into the RAFI to be the property of the concessionaire. Since the RAFI funds will be considered the concessionaire’s property, the concessionaire will receive CIRs on facility improvements made using RAFI funds. However, the bottom line is that Reclamation must approve, in advance, any CFIP or RAFI fund expenditures. If approval does not exist (in writing), the contract should be clear that CIR will not be granted.

### **(Option Two) Contract Without Concessionaire Right to Compensation**

Under this option, the concessionaire is not given the right to compensation and receives no guarantee of any compensation from Reclamation. If Reclamation chooses to issue the contract without a guarantee of compensation, the preparer should insert the appropriate text as indicated in the concession contract. There are several implications to issuing a contract without the guarantee of compensation.

*First*, if the concessionaire is not given the right to compensation in the contract, the concessionaire will have to assume the worst-case scenario, which is no compensation. Therefore, the standard

language for this option does not include a provision for the CIR. It is assumed that the concessionaire will be compensated through other means, such as longer contract terms or low franchise fees, for its investments in the concession operation. It is important that the feasibility study take this into account. The feasibility study should determine the appropriate contract term and target franchise fees to allow a concessionaire an adequate return on its investment without a CIR. Since the concessionaire will be compensated through low franchise fees or long contract terms, the concessionaire should not receive any CIR or other additional compensation beyond that specified in the feasibility study and concession contract.

*Second*, without a CIR, the concessionaire has less incentive to properly maintain fixed assets or to implement the CFIP as specified in the concession contract. The concession contract stipulates that any unspent funds in the RAFI at contract expiration or termination must be surrendered to Reclamation. This requirement is designed to reduce the concessionaire's incentive to avoid spending RAFI funds. However, since the RAFI will be under concessionaire control, it may be difficult for Reclamation to enforce this provision. Therefore, Reclamation must closely monitor the concessionaire's adherence to the CFIP. In addition, when planning the CFIP, Reclamation should attempt to schedule capital investments towards the beginning of the contract term to the extent possible.

### **3. Personal Property Compensation**

The sale of personal property will be voluntary and an arms-length transaction between the buyer (new, succeeding concessionaire) and seller (outgoing, existing concessionaire). Neither party is obligated to enter into any transaction involving personal property used to support the concession operation. Reclamation has no obligation to compensate concessionaires for their personal property assets.

## **SECTION 6—FEES**

### **1. Franchise Fee**

In their concession contract proposals, concessionaires may be given the option of expressing the franchise fee as (1) a set percentage of gross receipts over the entire term of the concession contract or (2) as a changing percentage depending on the gross revenues realized by the operation (usually referred to as a staggered or tiered fee structure). Each concession operation's franchise fee will be

examined on a case-by-case basis in the feasibility study, which will determine the revenue tier levels, if any, to be included in this concession contract.

The preparer of the concession contract should leave the spaces blank where franchise fee amount(s) will eventually be placed, unless a minimum franchise fee is to be stipulated. If a tiered fee structure is proposed, the preparer should stipulate the revenue tier levels in the concession contract based on the feasibility study.

When the final concession contract (included in the prospectus), which is to be signed by both parties, has been prepared, the preparer should insert the agreed upon franchise fee amount(s) and the associated annual gross revenues both numerically and in “long-hand,” like filling out a check.

In the feasibility study, a minimum franchise fee may be identified. Minimum franchise fees are generally discouraged. However, the feasibility study may determine that a minimum fee should be stipulated in the prospectus, or Reclamation officials may decide to include a minimum fee in that prospectus because of limited interest in a new concession contract and concern over a lack of competition in the bidding process.

Franchise fees collected through authorized concession contracts are considered direct returns to the Government and are transferred to the United States Treasury. The appropriate disposition of recreation or concession fees depends on the land status and authority used to collect the fees. Fees collected under the authority of the Land and Water Conservation Fund Act are to be deposited in the Recreation, Entrance, and User Fee Account, which is a special account for Reclamation established in the United States Treasury.

Except as provided otherwise in a project specific authorization, fees collected pursuant to the Reclamation law will be disposed of as follows:

- a. Fees generated by concessions or recreation activities on withdrawn project lands are deposited in the Reclamation fund.
- b. Fees generated by concessions or recreation activities on lands acquired for project purposes are deposited in the Reclamation fund, to the credit of the project.
  - (1) Franchise Fees.—Franchise fees are credited in accordance with the Reclamation Manual Directives and Standards in the Crediting of Incidental Revenues, PEC 03-01. The preparer should submit a Collection Information Form with any collected franchise fees. The appropriate collection information code (CIC) can be determined by the CIC tables in *Reclamation Revenue Management Reference Manual*.

- (2) **Rental Fees.**—Although Reclamation could collect rent for the use of its Government buildings, such fees are combined with the franchise fees, which are conveyed directly to the United States Treasury. Rental fees are not collected separately. Moreover, in the interest of maintaining concession facilities, Reclamation also establishes a CFIP or a RAFI to implement facility improvements and these should be determined, in part, on the basis of comparable rental value.

## **2. Payments Due**

If the concessionaire does not pay the contractually specified franchise fee amount as required on a monthly basis, it is considered a breach of the concession contract. (See chapter 2, Section 1B, Concession Contract Termination, for more information.)

## **3. Interest**

Overdue payments are charged interest as stipulated. Penalties for late payment may also be imposed.

# **SECTION 7—INDEMNIFICATION AND INSURANCE**

## **1. Indemnification**

## **2. Insurance in General**

See exhibit I of this subchapter for insurance information.

## **3. Certificate of Insurance/Certificate of Endorsement**

The preparer should require all concessionaires to provide both a Certificate of Insurance and a Certificate of Endorsement to Reclamation. The Certificate of Endorsement will trigger the insurance company to provide direct information on policy changes and cancellations.

## **4. Commercial Public Liability**



**5. Property Insurance**

**6. Bonds**

The preparer should place the appropriate dollar amount in the blank space provided.

**7. Lien**

**SECTION 8—ACCOUNTING RECORDS AND REPORTS**

**1. Income Statements**

This section categorizes the revenue thresholds that determine the accounting procedures and annual financial reports in which the concessionaire will be required to report its income statements.

Characteristically, concessionaires may try to conceal a portion of their profits in management, overhead, and labor fees or through other methods. One of the reasons for the required reporting schedules in exhibit J of this subchapter is to try to eliminate or at least reduce such concealments.

**2. Balance Sheet**

The balance sheet is required to follow schedule B in Exhibit J, Financial Reporting Forms (subchapter 2-11).

**3. Other Reporting Requirements**

- a. **Statements of Reserve Account for Facilities Improvement Activity.**—The concessionaire is required to follow the schedule in exhibit K for RAFI. The schedule must be provided to Reclamation on a monthly basis. Note that failure to make a RAFI deposit is considered a breach of the concession contract; therefore, it is important that the monthly statements provided by the concessionaire be reviewed by Reclamation.
- b. **Insurance Certification.**—Any material change in the status of the concessionaire’s insurance coverage must be reported to Reclamation immediately and may be considered a breach of the concession contract, depending on the nature of the change.

- c. **Environmental and Risk Management Reporting.**—The environmental and risk management sections of the concession contract require a large number of reports. Reclamation should monitor the reporting schedule to ensure that the concessionaire is submitting all required information in a timely fashion.
- d. **Miscellaneous Reports and Data.**—The concessionaire is required to provide other reports and data that are specified throughout the concession contract. Although not re-listed in this section of the concession contract, the Reclamation contracting official should be aware that further reporting and data are required of the concessionaire including, but not limited to, the Recreation Use Data Report and other operational and miscellaneous financial data reports.

## **SECTION 9—GENERAL PROVISIONS**

The general provisions section is for contractual obligations that are not mentioned elsewhere. They are standard provisions used in Government contracts, with a few exceptions. The preparer is advised to read all of the provisions.

## **EXHIBITS TO THE CONCESSION CONTRACT**

The following exhibit descriptions refer to the completion and application of the contract exhibits that are presented in detail in chapter 2 of this manual. For the exhibits to be considered part of the concession contract, they must be referenced in the main body of the concession contract. Any time an exhibit is amended or updated, the concessionaire and the Secretary (or Reclamation's duly authorized official) must each sign that exhibit (and the concession contract).

### **EXHIBIT A: NONDISCRIMINATION AND ACCESSIBILITY (SUBCHAPTER 2-2)**

Exhibit A refers to Executive Orders 11246 (1965) and 11375 (1967) regarding nondiscrimination. Section I describes affirmative action and (a) employment and service to the public, (b) concessionaire contracts, and (c) facilities. Section II of exhibit A refers to the Rehabilitation Act of 1973, amended 1978, regarding nondiscrimination of handicapped persons. Part a.) discusses discrimination that is prohibited and Part b.) discusses accessibility of existing facilities.

### **EXHIBIT B: AREA OF OPERATION AND ASSIGNED LAND (SUBCHAPTER 2-3)**

The purpose of this exhibit is to establish the physical boundaries of the concession operation and, accordingly, this exhibit must include a map. If no legal description or survey map is available, the preparer of this concession contract must have the boundaries surveyed and a map prepared.

The preparer should add, in bold and in brackets, assigned lands, and all appropriate plans and programs that the concessionaire will be responsible for implementing within the area of operation. If no other plans or programs are necessary, the preparer should delete the bolded, bracketed wording.

The preparer should use the legal description, if any, that was included in the feasibility study and duplicate it for this exhibit, if appropriate. The preparer should be as specific as possible when preparing legal descriptions of both the area of operation and the assigned land.

### **EXHIBIT C: CAPITAL INVESTMENT RECOVERY (SUBCHAPTER 2-4)**

There are two main options for this section. If a right to CIR is to be included in the concession contract, the preparer should include the first section of text from the NOTE TO PREPARER to the word END. If there is to be no right to CIR in the concession contract, the preparer should include only the second section of text. See Section 5-2, Compensation for Capital Investment Recovery, in the preceding guidelines of this subchapter. For further details on the procedures for construction, see Exhibit H, Improvement Project Procedures. The preparer should note that

when “Substantial Completion of a capital improvement” documentation is signed, the subject capital improvement should be added to exhibit C (and exhibit D) as an amendment, signed and dated by both parties.

## **EXHIBIT D: AUTHORIZED RECLAMATION AND CONCESSIONAIRE IMPROVEMENTS (SUBCHAPTER 2-5)**

The purpose of this exhibit is to differentiate between Reclamation improvements and concessionaire improvements. This division is necessary for concession contracts in which the concessionaire is granted a right to CIR because Reclamation must establish which improvements are eligible for CIR (those authorized improvements implemented by the concessionaire) and which improvements are not eligible for CIR compensation (those authorized improvements implemented by Reclamation). It also serves as a record of buildings and structures for contracts that do not include a right to CIR.

The preparer should note that several sections in the text of this exhibit that must be tailored to the particular concession contract. The preparer should also determine if a right to CIR is being granted in this concession contract. The preparer should pay careful attention to the **NOTES TO PREPARER** in this exhibit.

The preparer should be as specific and detailed as possible. This exhibit must be completed in full and include maps showing the building locations and photographs of all capital improvements used by the concessionaire for the concession operation.

The building inventory should include building numbers and identifiers for all buildings including, for example, public launch ramps, restrooms, boat rental offices, marina stores, fuel dock offices, and marina boat repair buildings. The inventory should have a separate section for structures other than standard buildings and should include any structure that requires maintenance or upkeep. For example, the inventory should include structures like public launch ramps, docks, dock cart storage, marina HAZMAT storage areas, rental slips, walkways to docks and slips, rental boat holding and loading docks and skips, emergency slips, fuel docks, breakwaters, sewage pump-out units, wastewater treatment facilities, vault toilets, public launch ramp courtesy docks, public launch ramp fish cleaning stations, day-use area picnic shelters, public gazebos, benches, and arbors.

Visitor and employee accommodations should be listed and identified separately and should include structures related to accommodations. For example, they should include cabins, tent cabins, kitchen and dining tents, campground pads, kitchens, sheds, saddle shelters, storage sheds, and linen rooms.

## **EXHIBIT E: ASSIGNED GOVERNMENT PROPERTY AND LIVESTOCK (SUBCHAPTER 2-6)**

The purpose of the first part of this exhibit is to keep track of property used by the concession that is owned by Reclamation. This is particularly important when a concession contract expires and a different operator is awarded the new concession contract. Reclamation requires

concessionaires to maintain the Government property, keeping it in good and operable condition, reasonable wear and tear excepted. Note that if a concessionaire is required to replace Government property, that property is still owned by the Government. Each item of Government property should be assigned a property number. A detailed description of that property should include the existing condition of the item and a photograph. The condition of the item should be detailed and not simply described as in “good” or “bad” condition. The description should include, for example, that there is a “large dent in the upper left-hand corner of the front of the oak desk with two large coffee ring stains on the top.”

Concessionaires may not store their personal property on the Federal estate that is not directly associated with the operation.

The second part of this exhibit’s purpose is to keep track of any animals and livestock authorized by Reclamation. Animals have been known to multiply and, without a proper count and a set maximum, livery operations, in particular, might be expanded significantly. The type, number, and purpose of each animal type should be written into the concession contract. The preparer should be aware that livestock and farm animal breeding and grazing are prohibited within the area of operation as per Section 4-J, Livestock and Farm Animals, of the main body of the concession contract (subchapter 2-1).

## **EXHIBIT F: MAINTENANCE PLAN (SUBCHAPTER 2-7)**

The Maintenance Plan, as specified in exhibit F of the template concession contract, is a standard (basic) maintenance plan. It is offered as a representation of what a Maintenance Plan might look like. It should not necessarily be specified as presented here. Instead, specific concession operations may have maintenance needs that are not addressed by the language included in the standard maintenance plan.

The preparer should identify maintenance operations and objectives that address particular and appropriate aspects of the concession operation that are not covered by the standard plan. Offerors will then propose their own Maintenance Plans for review and approval by Reclamation when evaluating the offerors’ proposals. The approved Maintenance Plan will become exhibit F of the concession contract (subchapter 2-7).

The following specific notes refer only to certain parts of the maintenance plan that may not be present in all contracts. More detailed discussions are in chapter 2 of this manual under exhibit F of the concession contract.

**B. 1. e. Winter Closures:** This section should be omitted for year-round operations. The second paragraph should be omitted if inappropriate for the concession operation being contracted.

**B. 1. f. Employee Housing:** This section should be omitted if there is no employee housing at the concession operation.

**B. 1. i. Snow Removal:** This section should be included only for concessions that will experience snow conditions.

**B. 1. i. Integrated Pest Management:** The preparer should remove the last sentence of this section for concession operations that are not required to have an IPM Plan.

**B. 2. g. Exterior Electrical Systems:** The preparer should consider whether this section is necessary for public safety. This section should be omitted if deemed unnecessary.

**B. 1. u.(2). Water:** The text in this section is presented as a general guideline. The preparer must edit and amend the text as necessary for the concession operation being contracted. The preparer should enter the water meter numbers in this section.

**B.1.u.(4). Telephone Service:** This section should be amended to be consistent with the provision of telephone service at the concession operation being contracted.

**B. 5. Reclamation Responsibilities:** This section defines Reclamation maintenance responsibilities. The preparer should omit any clauses from this section that will not be responsibilities of Reclamation with respect to this concession operation.

**B. 5. c. Snow Removal:** This section should be included only for concessions that will experience snow conditions.

## **EXHIBIT G: OPERATING PLAN (SUBCHAPTER 2-8)**

The concessionaire will develop an Operating Plan as a part of its proposal, using the standard (basic) operating plan presented in exhibit G of the template concession contract as a guide.

The preparer should identify operating objectives that address particular and appropriate aspects of the concession operation that are not covered by the standard plan. The preparer should ensure that the standard (basic) Operating Plan is applicable to the concession operation by making necessary changes in the plan. Offerors will then propose their own operating plans for review and approval by Reclamation when evaluating the offerors' proposals. The approved Operating Plan will become part of the concession contract as exhibit G.

The following guidelines are to assist the preparer in identifying changes that might be made in the standard (basic) Operating Plan.

### **A. Introduction**

The preparer should fill in the name of the concessionaire, the area of operation, and the concession contract number, as indicated.

### **B. Management, Organization, and Responsibilities**

The preparer should fill in the name of the concession employee, the area of operation, and the name of the area manager or appropriate Reclamation official, as indicated.

**C. Season and Hours of Operation**

This section defines the operating season and the hours of operation for each required or authorized service. The list of services provided in the template concession contract text is an incomplete list and is to be used only as a guide. The preparer should include all the services to be offered by the concessionaire and omit any services that will not be provided by the concessionaire.

**D. Standards of Operation**

This section sets forth the specific standards of operation required by Reclamation. The preparer should include the standards for every required or authorized service to be provided by the concessionaire in this section. The standards establish the specific operating requirements for each required or authorized service, and they form the basis by which the concessionaire will be evaluated.

**E. Specific Operating Standards and Requirements**

**F. Concessions Review Program**

**G. Rate Determination and Approval Process**

**H. Advertising and Signs**

**I. Lost and Found**

**J. Safety**

The purpose of this section is to describe the garbage collection plan that will be implemented by the concessionaire. The text provided in the template concession contract is presented as an example only. The preparer should amend this section to reflect the actual garbage collection plan that will be implemented.

The preparer should omit this clause if the concessionaire will not be required to provide security personnel during peak periods.

**K. Taxes and Assessment**

**L. Utilities**

The preparer should insert the list of utilities to be provided to the concessionaire and include information on the rates that will be charged. The preparer should also include any other relevant information such as any conditions that may be placed on the provision of utilities to the concessionaire.

- M. Complaints**
- N. Incident Reports**
- O. Staffing and Employment**

2. Employee Housing: This section should be included only for concessionaires that will provide employee housing. It should be omitted for all other concession contracts. The preparer should tailor the concession contract language to suit the needs of the concession operation being contracted.

- P. Vending and Ice Machines**
- Q. Volunteers**
- R. Quiet Hours**
- S. Reservations**

## **EXHIBIT H: IMPROVEMENT PROJECT PROCEDURES (SUBCHAPTER 2-9)**

The preparer should note that there are several sections in the text of this exhibit that must be tailored to the particular concession contract and if a right to CIR is being granted in this concession contract. The preparer should pay careful attention to the **NOTES TO PREPARER** in this exhibit.

This exhibit presents the required procedures for concessionaire improvement projects. The preparer should note that even if, at the time of writing the concession contract, there are no plans for capital improvements, the need or demand may arise for such improvements during the course of the concession contract term. Accordingly, exhibit H should be included in the concession contract as a precautionary measure to ensure that proper procedures are followed should there be a need for capital improvements. Though exhibit H may appear burdensome to the concessionaire because it requires a good deal of planning, paperwork, and approvals, omitting the exhibit may result in undesirable project outcomes.

Section B requires the concessionaire to create an annual improvement management plan including planning, designing, and scheduling project development, including a CIR preapproval process. Descriptions of the detailed project files and documents that the concessionaire is required to maintain are included in this section. Required project management procedures are outlined in section C of exhibit H.



## **EXHIBIT I: INSURANCE REQUIREMENTS (SUBCHAPTER 2-10)**

### **A. Property Insurance**

1. c. In cases where coverage on a replacement cost basis is unavailable or prohibitively expensive, the following alternatives may be approved: surplus line, deductible plans, self assumption, actual cash value, and “no insurance.” The preparer should refer to the Reclamation Concession Management Guidelines for guidance on choosing the appropriate type of coverage and obtaining proper authorization for alternate coverage.

1. d. This clause should be removed if coverage will not be required on a replacement cost basis.

1. f. The preparer should consider whether blanket basis coverage is appropriate for the concession operation. Blanket insurance provides a single limit that covers more than one item. In some cases, the insurance limit under blanket coverage may be lower than the total replacement cost value of all the items to be covered. While this results in lower premiums, there is a risk of insufficient coverage in the case of a catastrophic loss or loss of many of the items covered under the blanket limit. The preparer should refer to the Reclamation Concession Management Guidelines for further guidance in determining whether this is appropriate for the concession operation.

1. h The preparer should determine, based on the cost of coverage and the likelihood of a flood, whether this is a necessary condition of the concession contract. The minimum required limit is usually the same as the minimum limit for basic property insurance.

1. i The preparer should determine, based on cost of coverage and the likelihood of an earthquake, whether this is a necessary condition of the concession contract. The minimum required limit is usually the same as the minimum limit for basic property insurance.

1. j. Insert minimum required limit.

2. e. The preparer should consider whether blanket basis coverage is appropriate for the concession operation. Blanket insurance provides a single limit that covers more than one item. In some cases, the insurance limit under blanket coverage may be lower than the total replacement cost value of all the items being covered. While this results in lower premiums, there is a risk of insufficient coverage in the case of a catastrophic loss or loss of many of the items covered under the blanket limit. The preparer should refer to the Reclamation Concession Management Guidelines for further guidance in determining whether this is appropriate for the concession operation.

2. g. Insert minimum required limit.

3. i. The preparer should determine, based on cost of coverage and the likelihood of a flood, whether this is a necessary condition of the concession contract. The minimum required limit is usually the same as the minimum limit for basic property insurance.

3. f. The preparer should determine, based on the cost of coverage and the likelihood of an earthquake, whether this is a necessary condition of the concession contract. The minimum required limit is usually the same as the minimum limit for basic property insurance.

5. Deductibles. The preparer should determine the appropriate deductible amounts, as set forth in the Reclamation Concession Management Guidelines, and amend this section accordingly.

7. Property Replacement Cost for Insurance Purposes. This section sets forth the approved property replacement values, which are the basis for the replacement cost of all items that the concessionaire will be required to insure. The preparer should determine the property value based on the method described in the Reclamation Concession Management Guidelines and insert the value in this section.

## **B. Liability Insurance (Subchapter 2-10, section C)**

1. a. – 1. c. The preparer should insert liability limits appropriate to the concession operation.

2. – 5. Minimum liability limits set forth the smallest permissible limits for liability policies. Sections B through F describe minimum liability limits for individual services at the concession operation. The specific services presented in the template concession contract language may not be applicable to the subject concession operation. The preparer should amend this section by omitting any services that are not applicable. The preparer should add any required or authorized services that require liability coverage, as indicated in the Reclamation Concession Management Guidelines. Required minimum per occurrence liability limits for services or activities are set forth in the Reclamation Concession Management Guidelines.

6. Excess Liability or Excess Umbrella Liability. Excess liability insurance extends coverage for one particular activity in an amount above a primary liability policy or basic policy. Excess liability insurance may be required if one portion of the concessionaire's operation requires high dollar limits or the entire operation consists of one high-risk activity. The preparer should determine if the concessionaire will be required to purchase excess liability insurance and the activities for which this coverage will be necessary.

7. and 8. The preparer should insert liability limits appropriate to the concession operation.

10. The preparer should determine whether this condition is appropriate for the concession operation and omit or amend this section as necessary.

**Special Insurance Note**—In all situations, the concessionaire should carry insurance that names the Federal Government as coinsured and holds the Government harmless for the concessionaire’s operations and actions. This wording will be identified later in the sections on the contract.

## **EXHIBIT J: ANNUAL FINANCIAL REPORT FORMS (REPORTING REQUIREMENTS) (SUBCHAPTER 2-11)**

Each prospectus and concession contract must include a copy of the standard annual financial report (AFR) forms that the offeror, if awarded the concession contract, will need to complete each year of the contract term. Access to accurate and timely concession financial and operating information is critical to the successful management of the concession program. Reclamation will use concession-specific financial and operational information obtained from AFRs submitted by concessionaires for a variety of purposes. AFRs are used for both monitoring the concessionaire’s contract performance and feasibility analyses of the subject and other related concession operations. Monitoring will include:

- Measuring concessionaire operating performance/efficiency.
- Monitoring concessionaire expenditures on operations and facilities maintenance.
- Monitoring concessionaire franchise fee payments and RAFI set-asides.
- Monitoring CFIP expenditures.
- Calculating CIR values, if any.
- Evaluating the concession financial feasibility analysis.
- Assessing feasibility for similar concession enterprises.
- Formulating future concession development or redevelopment plans.
- Estimating visitor demand for commercial services.

The type of financial information most relevant to these tasks includes information regarding concession operating revenues and expenses, investment spending, and other cash flow data. The type of operational information most relevant to these tasks includes information regarding concession patronage, staffing, and occupancy rates.

Therefore, it is very important that the reporting framework meet Reclamation’s standards for accurate, detailed, and timely concession-specific financial and operational information without placing too great an administrative burden on local staff and without being so onerous and detailed as to confuse concessionaires, discourage responsiveness, and ultimately limit the reporting accuracy. The AFR schedules were carefully designed to meet these objectives and should be strictly used.

**Note to Reclamation Personnel**—Historically, Reclamation has done a poor job of requiring the concessionaire to complete the annual financial report. This is important to the accurate evaluation of their annual performance.

It is important to note that Schedule K (CIR) should be removed for all contracts that do not grant the concessionaire a right to CIR. All subsequent schedules should be renumbered. Also, the preparer should note that there are two templates for exhibit J (subchapter 2-11). One template is labeled “CIR” and is to be used for concession contracts in which a CIR will be granted to the concessionaire. The second is labeled “NO CIR” and is to be used for concession contracts in which the concessionaire will not be granted a CIR.

## **EXHIBIT K: RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT (SUBCHAPTER 2-12)**

The purpose of this exhibit is to present clear examples of the types of capital improvements that are appropriate and the types that are not appropriate for RAFI fund expenditures. See section 4 I (subchapter 2-1) of these guidelines for further discussion of the RAFI.

## **EXHIBIT L: RECLAMATION MANUAL POLICY AND DIRECTIVES AND STANDARDS (SUBCHAPTER 2-13)**

If the Concession Management partner is non-Federal (e.g., a State or county), include:

LND 04-02 Concessions Management by Non-Federal Partners (as amended)  
LND PO2 Concessions Management (as amended)

If the concession is managed by Reclamation, include:

LND P02 Concessions Management (as amended)  
LND 04-01 Concessions Management by the Bureau or Reclamation (as amended)

Any other relevant policies should be included that the preparer deems appropriate, such as:

LND P01 Cultural Resources Management

## **EXHIBIT M: RISK MANAGEMENT (SUBCHAPTER 2-14)**

### **A. Concessionaire Self-Inspection Requirements**

This section contains a checklist of items that must be reviewed as part of the concessionaire self-inspection. Not all items will be applicable to every type and size of concession operation, and the preparer should amend this section as appropriate.

### **B. Risk Management Training Program Requirements**

The training requirements listed in this section may not be applicable to all types and sizes of concession operations. The preparer should make amendments, as necessary, to adapt the requirements to the subject concession operation.

### **C. Risk Management Program**

This section should include the Risk Management Program that was developed by the concessionaire as part of the proposal. Once the Risk Management Program has been approved by Reclamation, the preparer should insert it into this section so that it becomes part of the concession contract.

### **EXHIBIT N: GIFT SHOP MERCHANDISING PLAN (SUBCHAPTER 2-15)**

The purpose of the Gift Shop Merchandising Plan is for the concessionaire to develop and describe thematic retailing in accordance with the Reclamation Concession Management Guidelines. The preparer should insert the Gift Shop Merchandising Plan developed by the concessionaire as part of the proposal. This plan will become part of the concession contract as exhibit N.

### **EXHIBIT O: ENVIRONMENTAL MANAGEMENT PROGRAM (SUBCHAPTER 2-16)**

This section should include the Environmental Management Program that was developed by the concessionaire as part of the proposal. Once the Environmental Management Program has been approved by Reclamation, the preparer should insert it into this section so that it becomes part of the concession contract.

## **SUBCHAPTER 1-5 – PREPARING THE INSTRUCTIONS TO THE OFFEROR FOR PREPARING THE PROPOSAL**

Keep the “Instructions to the Offeror for Preparing the Proposal” exactly as they appear. Do not change them, except to fill in blanks as directed below.

### **A. PURPOSE**

The purpose of the “Instructions to the Offeror for Preparing the Proposal” is to provide the offeror with information regarding:

- Proper completion of the proposal.
- The proposal selection and evaluation process.
- Potential issues that necessitate a cautionary reminder.

The “Instructions to the Offeror for Preparing the Proposal” appended to this document should not be changed, except to provide situation-specific information where indicated by blank spaces. Examples and descriptions of what needs to be placed in those blanks are included. In an effort to facilitate proposal preparation, these guidelines also provide the reasoning and rationale behind specific instructions, where appropriate.

### **B. INSTRUCTIONS TO THE OFFEROR FOR PREPARING THE PROPOSAL**

Offerors tend to skim through the prospectus and, consequently, may overlook important concepts or information or miss a necessary step in the proposal process. The offeror must be reminded, whenever possible, that the prospectus has many components, with important information spread throughout the various documents. Accordingly, the prospectus must be read in its entirety.

### **C. RESPONSE PERIOD FOR SUBMISSION OF PROPOSALS**

The number of response days should be placed in the blank space provided (in the second paragraph of this section). Calculate the number of response days by starting with the date that the prospectus will be issued as day one and counting to the date that the proposal is due. Generally, response periods tend to be fixed at 60, 90, or 120 days. The number of days allowed as “sufficient response time” may differ from contract to contract, depending on the complexity and type(s) of the subject concession operations required. Presumably, larger, more complex operations will require a longer response time. However, the preparer should note that larger concession operations tend to attract larger enterprises with more personnel to assist in preparing a response to the proposal.

The preparer should bear in mind that small concession operations, which generally appeal to owner-operators with few personnel, require almost the same amount of proposal paperwork preparation as do larger concession operations. When stipulating the number of days for the response period, allow for extra response time during and around holiday periods. The preparer should try to do as much forward planning as possible, remembering that, while delays are common in the proposal process, extensions to existing contracts are strongly discouraged. A simple typing error in the prospectus can cause Reclamation to have to resolicit that prospectus and subsequently extend the submission date. Accordingly, the preparer should allow enough time in scheduling the prospectus process to resolve potential mistakes and respond to written questions submitted by potential offerors. A minimum of 30 days in advance of the submittal date must be given for the written question period so that Reclamation not only has enough time to respond to the question but also has time to provide the question and associated answer to all potential Offerors on a timely basis and allow potential offerors to react to the response. (See subchapter 1-6, “F. Questions.”)

Whenever possible, Reclamation should try to avoid issuing the prospectus during a concessionaire’s busy season. Concessionaires are often focused on the operations and cannot focus on preparing a complete response. If Reclamation doesn’t have the flexibility to issue the prospectus during a slow operating time, every effort should be made to allow the longest response time possible, allowing concessionaires plenty of time to complete their offers.

## **D. SCHEDULE OF MEETINGS**

Pursuant to the Reclamation Manual Directives and Standards, all RFPs for concession operations should include a schedule of meetings. Reclamation contracting officials should conduct several meetings to review and formulate the prospectus materials. Meetings with potential offerors should be scheduled at times and on days that potential offerors are most likely to be able to attend. Any meetings requested by individual interested parties must be declined to ensure fair competition.

The meetings may be conducted at the existing concession facilities or at the site of future concession facilities, if appropriate, or at another suitable location close to the area of operation. If the meeting is not conducted at the concession site, a separate site visit will be appropriate. The purpose of a site visit is to familiarize potential offerors with the area of operation. The site visit should include a tour of the concession facilities and related areas, time permitting and as deemed appropriate.

Site visits are an opportunity for prospective offerors to see the operations. It is important that all facilities and services be available for viewing. Prospective offerors should be encouraged to attend formally scheduled site visits. The area office, whenever feasible, should make accommodations to offerors to view the facilities. Preparers and Reclamation employees conducting on-site visits are cautioned that this is not an opportunity for providing additional information or answering prospective bidders questions and concerns. Offerors should be encouraged to submit questions to Reclamation, and Reclamation will make this information available to all.

## E. FORM IN WHICH PROPOSAL MUST BE SUBMITTED

The proposal must be completed in full and in accordance with the instructions to be considered responsive. If an offeror fails to complete any part of the proposal, the offer should be considered nonresponsive. The proposal format provides for some latitude in presentation, and the offer may include comments or additional information not explicitly requested in the original prospectus.

Reclamation should emphasize that additional information not requested in the prospectus must not be used as a factor in evaluating proposals. The additional information, if appropriate, may be incorporated into the eventual contract or one of its appendices.

## F. WHERE AND HOW TO SUBMIT A PROPOSAL

Reclamation should require offerors to submit as many copies of the proposal as it expects there to be members of the proposal review panel. A minimum of three copies of the proposal is suggested. The proposal would be considered nonresponsive if it contains fewer than the required number of copies of the proposal.

Reclamation may request or authorize proposals to be submitted in electronic format. In these instances, Reclamation should include an electronic copy of the prospectus, at a minimum, and an electronic copy of the proposal and state that the offeror must submit responses in an electronic format compatible with Microsoft Office Suites products software. If such authorization is not specifically noted, an electronic submittal is not acceptable.

The preparer should **alert the mailroom** that proposals are expected to arrive. Because proposal packages can be very cumbersome and may include several boxes of material, or even a trunk with samples of thematic merchandise, make sure that the mailroom designates a safe, secure spot for the material to be stored until it is ready to be collected or forwarded.

To assist the mailroom staff, offerors should be required to label the outside of the proposal packages with the title of the concession operation and the date of required receipt. If offerors are sending more than one package, each package should be labeled with a numbering system (e.g., 1 of 3, 2 of 3, and 3 of 3).

**Mailroom personnel should be instructed not to open proposal materials.** If they do, it could pose legal problems for Reclamation. As soon as proposals begin to arrive, an inventory list should be started and continued throughout the selection review process to ensure that no proposal components are misplaced or overlooked. Bidding on large operations can be very competitive; therefore, it is critical that everyone involved in the process strictly follow proper document handling procedures.



Reclamation should caution offerors that not all express mail carriers (e.g., Federal Express and UPS) guarantee overnight delivery to and from all locations within the United States. Offerors are responsible for delivery of proposals within the timeframe identified.

## **G. PROPOSALS MAY BE CONSIDERED PUBLIC DOMAIN**

The preparer should be very cautious when an offeror invokes the Freedom of Information Act to protect trade secrets or confidential financial or other information contained in its proposal. It is best to confer directly with Reclamation solicitors to determine what components of submitted proposals may or may not be made public. (See 5 US 552 and further information in the Reclamation guidelines under “FOIA.”)

## **H. QUESTIONS**

All information regarding the prospectus must be provided equally to all potential offerors. No Reclamation official should be authorized to make oral representations relating to this matter. In other words, all responses to questions should be in writing, and the same responses (together with all questions) must be sent to all prospective offerors.

If one offeror has evidence proving that it was not provided the same information as a second offeror, it may have legal grounds to challenge the fairness of the proposal process and contract award, depending on the nature of the information. Therefore, questions from offerors regarding the prospectus must be answered very carefully. Again, only procedural questions should be answered over the phone or in person. No substantive questions should be answered over the phone or in person. **ANY OFFEROR QUESTIONS SHOULD BE SUBMITTED TO RECLAMATION IN WRITING AND THOSE QUESTIONS AND THE ASSOCIATED RESPONSES SENT TO ALL POTENTIAL OFFERORS IN A TIMELY FASHION.**

## **I. EVALUATION OF PROPOSALS AND SELECTION**

The evaluation of proposals should follow the procedures described in detail in the Reclamation Concession Management Guidelines. Although the five selection criteria should remain the same for each prospectus, the criteria that follow them can and should be changed to reflect concession-specific issues and concerns. The five principal factors are more general in nature than the criteria that follow. Thus, the criteria may be tailored for a certain set of circumstances without the need to revise the five principal factors themselves.

## **J. SELECTING THE BEST PROPOSAL**

It is highly recommended that the proposal review process be implemented in two steps. First, the proposals should be unsealed, thoroughly inventoried (identify every separate item by its title), and the offerors' references checked. A panel member or an advisor should be assigned to check references and prepare a report for the review panel that addresses the offerors' experience and qualifications, particularly as claimed by the offerors in their submittals. Second, once the reference check has been completed, the review panel should be convened.

Review panels typically need to convene for several days. Most of this time is spent reading, evaluating, and discussing the proposals. A reference check and experience report should be prepared before the panel is convened.

## **K. RIGHT OF PREFERENCE**

At the time these guidelines were written (2005), Reclamation still had several ongoing concession contracts that had granted the concessionaire a right of renewal preference in the next contract. Therefore, some prospectuses will need to recognize a right of renewal preference where they presently still exist. However, according to Reclamation Manual Directives and Standards, no new rights of renewal preference may be granted in future contracts.

Therefore, the preparer of the "Instructions to the Offeror for Preparing the Proposal" must determine whether an existing contract grants the existing contractor a right of renewal preference. If so, that right must be recognized in the selection process. However, the new contract presented in the prospectus must specifically state that no right of renewal preference will be granted—regardless of whether such a right was granted to a previous holder of the subject concession contract.

## **L. CAUTIONS TO OFFERORS ABOUT SUBMISSIONS AND EVALUATION OF PROPOSALS**

The preparer should pay particular attention to the list of cautions presented in the prospectus. However, the caution addressing right of renewal preference should be used or eliminated according to whether such a right has been granted to the incumbent concessionaire. Note that, as stated above, no such right will be granted in future contracts.

# SUBCHAPTER 1-6 – INSTRUCTIONS TO THE OFFEROR FOR PREPARING THE PROPOSAL

*Before completing a proposal, carefully read and consider these instructions, the concession contract document, the exhibits to the concession contract document, and the other information in this prospectus, its appendix, and any other documents to which it refers.*

## **A. RESPONSE PERIOD FOR SUBMISSION OF PROPOSALS**

It is assumed that all interested parties submitting a proposal in response to this prospectus are aware of the provisions of 43 CFR Subtitle A and the latest Reclamation Manual Policy and Directives and Standards, as amended, including, without limitation, requirements regarding the purchase and disposition of the capital investment recovery of the existing concessionaire.

Proposals must be received by 5 p.m. on the date shown on the front page of this prospectus. Public notice has been given.

Only an offeror submitting a responsive proposal is eligible to be awarded the new concession contract. A proposal is considered responsive if it is submitted on time and is determined by the Secretary to satisfy all the minimum requirements of the new concession contract and this prospectus and to provide all the information required by this prospectus. The minimum requirements for the new concession contract are identified in part A (subchapter 1-12) of the prospectus. Offerors must agree in their proposal to the minimum requirements of this prospectus, as identified in part A, and must provide all the information required by part B (subchapter 1-12) for the proposal to be considered responsive.

Proposals determined to be non-responsive by Reclamation will be rejected and will not be further evaluated.

## **B. SCHEDULE OF MEETINGS**

All interested parties may discuss the requirements of the prospectus at the following scheduled meetings. To ensure fair competition, no other meetings will be held.

	Meeting Date	Time	Location
1.			
2.			
3.			

## C. FORM IN WHICH PROPOSAL MUST BE SUBMITTED

You must follow the format provided in the prospectus in its entirety and without alteration when applying for the concession contract. Failure to submit a proposal according to these instructions and the instructions in the prospectus without alteration (except for filling in the indicated blanks) will render your proposal nonresponsive.

### 1. Pagination

For your proposal to be considered responsive, each page of your proposal must have a unique page number and must be ordered in a logical, easy-to-follow manner (e.g., 1-125 or A1 to A15 and B1 to B85).

### 2. References

Each page of your proposal must also reference the location and criterion it is responding to in the prospectus so that the response can be clearly identified (e.g., principal factor 3, criterion B3 (b) 2.a).

### 3. Additional Information

Please include any additional information you may deem relevant to your proposal, but stay within the organizational framework of the prospectus.

## D. WHERE AND HOW TO SUBMIT A PROPOSAL

Completed proposals and any modifications must be submitted to Reclamation at the address below by the close of business on the due date shown on the front page of this prospectus. Proposals may be delivered in any manner convenient to the offeror during the normal business hours of the receiving office.

1. Submit [**NOTE TO PREPARER: Insert the number of members expected to be on the proposal review panel, but not less than three**] copies of your proposal, following the format of the proposal presented within this prospectus, including [**NOTE TO PREPARER: Insert the number cited previously**] 3.5-inch floppy disks or CDs with projected financial information. Submitting less than [**NOTE TO PREPARER: Insert the number cited previously**] copies of your proposal will be considered nonresponsive.
2. Proposals and any modifications of those proposals must be enclosed in sealed container envelopes, and the following should be marked on the container in large letters:
  - a. **“CONCESSION PROPOSAL PACKAGE, MAIL ROOM DO NOT OPEN.”**

- b. The due date specified in this prospectus for receipt of the proposal by Reclamation.
- c. The name and address of the offeror. Offerors submitting their bids by an express carrier must include their street address and phone number.

## **E. PROPOSALS MAY BE CONSIDERED PUBLIC DOCUMENTS**

All proposals submitted in response to this prospectus may be disclosed by the Department of the Interior to any person, upon request, to the extent required by the Freedom of Information Act. If you believe that your proposal contains trade secrets or confidential commercial or financial information exempt from disclosure under the Freedom of Information Act (5 USC 552), mark the cover page of each copy of the proposal with the following legend:

*The information specifically identified on pages 'xyz' of this proposal constitutes trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law.*

You must specifically identify what you consider trade secret information or confidential commercial or financial information on the page of the proposal on which it appears, and you must mark each such page with the following legend:

*This page contains trade secrets or confidential commercial and financial information that the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this proposal.*

Information so identified shall not be made public by Reclamation except in accordance with the law.

## **F. QUESTIONS**

If you have questions regarding this prospectus, you must submit your questions, in writing, to the contact person indicated on the front page of this prospectus, no later than 30 days in advance of the submittal date. Reclamation will respond in writing to your question and will provide the question and response to all potential offerors who have requested a prospectus. Questions received after this date will not be answered. Because Reclamation must provide equal information to all potential offerors, there must be sufficient time allowed to inform all potential offerors of such questions and answers.

## **G. EVALUATION OF PROPOSALS AND SELECTION**

The evaluation panel will consider each of the principal factors as set forth in this prospectus by assessing the narrative and other information presented in the offeror's proposal in response to the requests for information and questions set forth under each criterion. The offeror's response will be evaluated and rated according to one of four categories—as “not satisfactory, satisfactory, good, or superior.”

It will be necessary for a proposal to achieve a “satisfactory” or better rating for each of the five criteria to be considered an acceptable or better proposal. A “not satisfactory” rating for any one of the five criteria will render an entire proposal “not satisfactory” and will be grounds for rejection.

The evaluation panel will provide a written consensus recommendation to the selecting official (regional director or delegate) that outlines in detail the reasoning for the recommendation. The panel should also provide supporting information indicating why the recommended offeror exceeds other offerors on overall basis.

## **H. SELECTING THE BEST PROPOSAL**

The Secretary will select as the best proposal the proposal that the Secretary determines will, on an overall basis, best achieve the objectives of Reclamation and is in the best interest of the Government. The Secretary will provide a narrative explanation for the selection.

## **I. PREFERENTIAL RIGHT OF RENEWAL**

A “Preferential Right of Renewal” may have been granted under an existing contract. Renewals of contracts must be issued in accordance with Reclamation Manual Directives and Standards.

The existing concessionaire (holds) (does not hold) a preferential right of renewal of the new concession contract. **[NOTE TO PREPARER: Select the correct wording above.]**

No Preferential Right of Renewal will be granted in this new concession contract.

## **J. CAUTIONS TO OFFERORS ABOUT SUBMISSION AND EVALUATION OF PROPOSALS**

1. All information regarding this prospectus will be issued in writing. No Reclamation or other Government official is authorized to make substantive oral representations regarding this prospectus, and no offeror should rely on any oral representations made by Government officials regarding this prospectus.

2. The proposal describes all the principal factors and criteria—the responses to which will be used by Reclamation to evaluate proposals. You, the offeror, should ensure that you fully respond to all questions provided under each principal factor.
3. This prospectus and related documents reflect the views and objectives of Reclamation with regard to the proposed concession operation. Should you believe that any statement in this prospectus is inaccurate, you must submit comments to Reclamation, in writing, no later than 30 days before the due date for proposals. Send your comments to the person named on the front page of this prospectus for the receipt of proposals.
4. The information included in this prospectus, including all appendices, is provided to allow offerors to understand the concession's operations and the terms of the new concession contract. The information is provided throughout all the documents contained in this prospectus. Offerors are therefore encouraged to thoroughly review all information and required submittal documents before preparing a proposal.
5. A proposal to expand the scope of facilities or services beyond those identified in this prospectus will not be considered in the evaluation of proposals. Notwithstanding, the concessionaire may be held responsible for carrying out its proposal to expand the scope of facilities or services beyond those identified in this prospectus.
6. A proposal to provide direct or indirect monetary or other benefit to the area of operation or the Government that is not within the scope or requirements of the concession contract will not be considered in the evaluation of proposals. Notwithstanding, the concessionaire may be held responsible for carrying out its proposal to provide such direct or indirect monetary or other benefits not within the scope or requirements of the concession contract.
7. If you propose to make financial commitments in response to any principal factors, your proposal will be closely reviewed and analyzed to make sure your financial statements and supporting documents accurately reflect those commitments. Such documents include, but are not limited to, the pro forma income statements and pro forma cash flow statements required in the proposal.
8. The concession's rates for goods and services shall be similar to the rates for comparable goods and services in local and regional markets. Reclamation shall have the power to make the final determination of appropriate rates. Therefore, the projected income statements and cash flow statements and the benefit to the Government (franchise fee) proposed by the offeror should reasonably reflect such comparable rates.
9. The proposal and related materials submitted should reflect the entire proposal you wish to submit. Reclamation will consider your written submission as your full and final proposal in response to the prospectus and will make its selection

based on the written information you have submitted. Do not assume that Reclamation knows anything about you or your proposal. Do not assume that any information about you or your proposal, previous correspondence, or previous submissions are in the possession of or will be considered by Reclamation. This is true even if you are the current concessionaire or have operated another concession within the area of operation.

10. The draft concession contract and its exhibits, which set forth the terms and conditions governing operation of the concession, are attached. The Secretary may amend a prospectus and/or extend the submission date before the proposal due date. The Secretary may also cancel a solicitation at any time before the award of the concession contract if the Secretary determines, in its discretion, that cancellation is appropriate and meets the public interest. No offeror or other person will obtain compensable or other legal rights as a result of an amended, extended, canceled, or reissued solicitation for this concession contract.
11. The terms, conditions, and determinations of this prospectus and the terms and conditions of the proposed concession contract, as described in this prospectus, are not final until the concession contract is awarded [**NOTE TO PREPARER: Include the following wording if appropriate: except as provided by the Preferential Right of Renewal**].
12. Offerors may anticipate that, under their management, the concession's future gross revenues could differ from Reclamation's gross revenue projections provided in this prospectus. Indeed, offerors may, in their proposals, present their own revenue projections and substantiation for those projections. Regardless, offerors should understand that Reclamation will apply only the gross revenue projections presented in this prospectus as a common basis when evaluating and comparing competing franchise fee proposals. This is necessary to ensure an equal basis for review among many offerors.
13. For the purposes of preparing their proposals, offerors must assume that the value and timing of capital investments and/or deposits into the reserve account for facilities improvements will be contractually stipulated as specified in this prospectus. Offerors may feel that somewhat higher or lower capital investments or deposits are warranted. Indeed, Reclamation may agree to make adjustments in the capital investment program following contract award—either before signing the concession contract or during the contract term. If such adjustments are made, the franchise fee will be changed such that the investment adjustment should have no positive or negative financial impact on the concessionaire.
14. The Secretary may request, from any offeror who has submitted a timely proposal, a written clarification of its proposal. Clarification refers to eliminating any ambiguities that may have been contained in a proposal but does not include amendment or supplementation of a proposal. An offeror may not amend or supplement a proposal after the submission date unless requested by the Secretary to do so and unless the Secretary provides all offerors that submitted proposals a similar opportunity to amend or supplement their proposals.



15. The selected offeror, including any offeror with a Preferential Right of Renewal, must execute the concession contract promptly after selection of the best proposal and within the time established by the Secretary. If the selected offeror fails to execute the concession contract within the time period specified by the Secretary, the Secretary will select another responsive proposal for award of the concession contract or will cancel the selection and may resolicit proposals for the concession contract.
16. Document delivery services that offer overnight delivery may not provide true overnight delivery to some areas. Offerors will be responsible for ensuring the timely submittal of proposals by contacting the delivery service of their choice regarding delivery availability and timing for the submittal location specified on the front page of this prospectus.
17. Reclamation may include, as terms of the new Concession contract, appropriate elements of the proposal selected for award of the concession contract. Such appropriate elements of the proposal may include, but are not limited to, components of the offeror's proposed Operating Plan, Maintenance Plan, Environmental Management Program, or Risk Management Program.
18. Offerors are responsible for undertaking appropriate due diligence with respect to this business opportunity. All the statements made in this prospectus regarding the nature of the business and its future performance are only opinions of Reclamation. Offerors should not rely on any representations of Reclamation in this regard.
19. The prospectus will identify all concession services as either required services or authorized services. For a proposal to be considered responsive, the offeror must propose to provide all the required services. However, the offeror may propose to provide none or any number of the services from among the authorized services. The proposal evaluation process will consider the relative merits of the offerors' proposals with respect to both required and authorized services. The concession contract will obligate the successful offeror to provide each of the services and only those services proposed—that is, all required services and whatever other authorized services if any, that are proposed. Each of those services will be stipulated as a requirement of the concession contract, subject to the appropriate contractual obligations and limitations.

In other words, if an offeror does not propose to provide a particular service that is identified as an authorized service in the prospectus, that service will not be stipulated as a contractual obligation, and it will no longer be authorized under the concession contract. However, if during the concession contract term, Reclamation and the concessionaire mutually agree that the concessionaire may provide a service that is not stipulated in the concession contract, the concession contract will be amended to include that service as a requirement of the concession contract, subject to the same contractual obligations and limitations as other stipulated services.

# SUBCHAPTER 1-7 – EVALUATION OF PROPOSALS - REVIEW PANEL INSTRUCTIONS

## A. REVIEW PANEL INSTRUCTIONS

The following points through Section A.8. (Housekeeping Notes) are intended to identify likely steps or things not to forget in establishing a review panel.

### 1. Objective

- a. The objective is to select a concessionaire whose overall proposal is in the best interest of the Government. The process for making that selection is intended to be fair to all offerors, relatively simple to implement, and also highly defensible in the event that the process or the decision is challenged.
- b. The evaluation panel should have at least three members. One member will be designated as the chair of the panel. There are cases where two people would be sufficient. An example of such a case is a small concession contract in which only one proposal is received. There should be no instance where only one person completes the necessary record. In some cases, the panel can conduct its business without meeting. This should be carefully considered because it limits important interactions that are part of the review process. Panel members must be Reclamation employees, preferably “subject matter experts” (e.g., environmental, financial, recreation, construction, and concession experts). While there may be instances where it is desirable to have outside parties such as financial or other expert consultants or other non-Federal employees participate in an evaluation of proposals by advising the panel members, they should be involved only in an advisory capacity and not be voting panel members.
- c. Try not to make prejudgments about any of the proposals. Your first read-through can easily give an impression that is different from your later analysis. It is better to remain impartial for as long as possible.
- d. The record of the evaluation is to include one separate evaluation document for each proposal and a separate summary of proposals memorandum describing how the proposals addressed the factors for consideration. The record is very important because it will be used to defend against any challenges by unsuccessful offerors.
- e. The decision process should seek to build a consensus. It is fine to keep individual notes to record your thoughts during the evaluation; however, your notes may contain private information that would not be appropriate to release to the public—either about the offeror or the proposal involved.

If a review evaluation is contested, such notes would be subject to exposure through the discovery process and the Freedom of Information Act. Therefore, to protect against your notes becoming public information, you should destroy them when you have completed the review process. All pertinent facts and opinions should be consolidated in the final analysis document for each proposal and a consensus reached regarding that document.

- f. The evaluation of a proposal will eventually be available to the offeror involved. Be careful to represent the facts fully and carefully and to use good judgment in your comments and analysis.
- g. The objective is to have an evaluation panel develop a single evaluation document for each proposal for consideration by the selecting official. To do this, the evaluation panel members will consolidate their thoughts through discussion and review each of the other members' comments in a single, computer-based, evaluation document about each proposal. The evaluation document will include an evaluation sheet and an evaluation summary.
- h. The offer should be evaluated based on the information submitted. Hearsay and opinions beyond the scope of the offer and any requested clarifications will not be considered by panel members in the evaluation process.

## **2. Opening the Proposals and First Review**

The proposals must not be opened until after the due date. And then, all proposals must be opened at once. Make a written inventory of each item included in each proposal. Record a brief description of each item.

## **3. Reference Check and Evaluation of Financial Capability**

Next, select one or more people to conduct telephone interviews with each offeror's management, experience, and financial references and perform an evaluation of the credibility of each offeror's financial capability. This should be started before the review panel is scheduled to meet, allowing enough time to perform the interviews and evaluations, recognizing that the references may not be available immediately. Except in the most simple instances, one of the members or consultants should be an individual with educational or practical experience that enables him or her to provide a financial analysis and review of the offers. This should be the case even if that individual is not a voting member of the panel. The reason is to be able to professionally support any decision that is based in whole or in part on the review of an offeror's financial package.

#### **4. Panel Review**

Panel members should be given the prospectus no later than 2 weeks before the panel convening and should read and understand the prospectus and especially the proposal package. Panel members should be familiar with the prospectus before the panel convening.

- a. Next, each panel member should read all the proposals that were received. The proposals should be read in two stages, once to obtain an overview and then again to perform the analysis.
- b. The evaluation panel should then determine whether it considers any of the proposals to be clearly and without question nonresponsive. Such proposals would be those with gross errors, such as failing to provide material items requested in the prospectus. These proposals should be set aside and the specific reasons for concluding that they are unresponsive should be documented in the related evaluation document. All other proposals received on time should continue to be evaluated fully, even if there are questions regarding the degree of responsiveness in some areas.
- c. A nonresponsive proposal is a proposal that is not submitted on time or fails to meet the terms and conditions outlined in the prospectus. Specifically, the prospectus will list a series of specific requirements that must be met for a proposal to be considered responsive. If a proposal does not comply with each, it will be considered nonresponsive. The evaluation panel should consult the Office of the Solicitor if the panel intends to consider a proposal to be nonresponsive.

#### **5. Detailed Examination and Documentation**

- a. The proposals should be reviewed in detail and evaluated at this point. Each panel member will read through each criterion and question on the evaluation form and all the material presented in each proposal, correlating the criterion and questions. The evaluation document should be filled in with quotations, paraphrases, and summaries of the proposal that the reviewers feel are appropriate to portray each section of each proposal. This information will represent the key points made in each proposal. It is strongly advised that all this work be carried on electronically. This means that each member needs to have a computer work station or lap top available. An electronic process makes sharing, combining, and editing much simpler.
- b. Each panel member will add his or her comments or analysis.
- c. It is important to note separately each excerpt from the proposals and each comment about the proposals, indicating which is a proposal excerpt and which is a reviewer comment, and to reference the page number in the

proposal from which the excerpt was extracted and about which the comment was made. ALL EVALUATORS CAN BENEFIT FROM EACH OTHER'S WORK AND RESPOND TO ANY CHALLENGES.

- d. After evaluating each criterion and after facts and comments have been collected, write a brief summary and judge the quality of the proposal's response with respect to that particular criterion relative to the other proposals. Specifically, state whether the response showed that the offer should be considered as being SUPERIOR, GOOD, SATISFACTORY, or NOT SATISFACTORY. Note the particular strengths and weaknesses of the proposal. Document any failures to adequately address the criteria. With the evaluation summary block complete, add a copy of it to the collected summaries at the beginning of the evaluation document for inclusion in the summary of offers memorandum.
- e. After the initial review by the first evaluator is completed, the proposal should be passed to at least one other evaluator for the same review. This will be easier if the initial review is done using a computer and the second is an edit of the first. With this approach, the second review builds on the computerized evaluation from the first review.
- f. The second and any subsequent reviews should not be superficial. It is essential that a careful second opinion be generated as a check on the first review. Things that are missed, misread, or misinterpreted need to be caught in later reviews.

Assume the offeror will eventually read the review and will look for unfair or erroneous treatment. The second and subsequent reviewers may need to meet with the earlier reviewers to discuss points of difference as they arise.

- g. It is also possible to do separate reviews and then merge them. This could be done in long hand or otherwise. This method is not recommended because it is inefficient. The final evaluation document for a proposal is the sum of the review work that each evaluator has done. There should be only one document containing the collected wisdom of all evaluators. Individual opinions should be reconciled into a single panel opinion of each proposal. The only exception may be to highlight a single opinion when it is a technical point from one of the panel's subject matter experts (e.g., financial), and that is to indicate its validity.
- h. This is a consensus process. If there is a problem between evaluators, a resolution should be worked out and the issue recorded, as it was resolved, in the evaluation document. At least two reviewers are necessary, but more are better. In selecting panel members, it is useful to pick people who can work as a team and who can talk through disagreements to mutually acceptable resolution. Individuals who cannot compromise and those who want others to do their thinking for them are not the most

effective choices. Being selected for a panel should not be considered as automatic because of an employee's duties if he or she does not meet the team oriented profile.

- i. Reviewers may organize their indepth analyses by subject or by individual criterion rather than by proposal. For example, two or more people may evaluate the financial section and another two or more may evaluate the managerial section, etc., as long as all panel members read the entirety of all the proposals and a minimum of two people give careful attention to each of a proposal's parts. Reviewers should keep in mind that some criteria or questions could overlap with others in the way they are answered. If the answer is in the proposal, the reviewers must make a reasonable effort to find it. Being too focused on only some parts of any proposal can lead to mistakes.
- j. Before performing the evaluation of the proposals, the evaluation panel should review the information obtained for the credit and reference checks.
- k. A complete evaluation will have all of the facts and comments entered. A summary will then be written for each criterion, including a characterization of the Offeror's response to the criterion as NOT SATISFACTORY, SATISFACTORY, GOOD, or SUPERIOR. The entire analysis should then be copied to the evaluation summary section at the front of the review evaluation document.
- l. The evaluation panel should make every effort to evaluate proposals from the initial submissions of the offerors. Seeking clarification or additional information from offerors is not recommended and should be done only when absolutely necessary. If clarification of a proposal is sought from one offeror, clarifications must be sought from other offerors if their respective proposals are determined to require clarification. If an offeror is permitted to provide additional information, other offerors are to be granted the right to provide additional information of the same nature. Advice from the Office of the Solicitor should be sought if the evaluation panel wishes to seek clarification or additional information from an offeror. In general, making any contact with any offeror after proposals are submitted and before the evaluation and selection is announced is strongly discouraged.
- m. Four of the criteria are qualitative. The fifth is quantitative (financial benefit to the Government). The fifth criteria will be evaluated strictly according to the proposed franchise fee—but only on the condition that all other financial benefits are equal. All other financial benefits will be equal if the prospectus was structured properly as described in (1) below. The franchise fees proposed by the different offerors should be easy to compare if the prospectus was structured properly, as described in (2) below.

- (1) First, the only other financial benefit should be the offeror's annual deposits into the RAFI. Those deposits should have been specified in the prospectus to be equal for all offerors either in terms of an annual dollar amount or as a percentage of gross receipts. If the latter, the prospectus should have also specified the future annual gross receipts and instructed all offerors to assume those gross receipts for the purpose of their proposals. Therefore, the annual RAFI deposits assumed and proposed in all proposals should be the same for all offerors. Each offeror should have agreed in writing in their proposal that they will implement the RAFI as specified in the prospectus.
- (2) The prospectus will have allowed the proposed franchise fee to be expressed either as a single fixed percentage of gross receipts or as different percentages of gross receipts for different levels of gross receipts (a "tiered" or "graduated" franchise fee). In either case, the prospectus must have specified the future annual gross receipts and instructed all offerors to assume those gross receipts for the purpose of their proposals, which the offerors must have done. However, unless they assume the gross receipts specified, their offer cannot be objectively compared with other offers.
- (3) When franchise fees are expressed as a single fixed percentage of gross receipts, the process of comparing and evaluating the franchise fees is straight forward. However, when franchise fees are expressed as a "tiered" or "graduated" franchise fee, the review panel should compare offers by applying the proposed franchise fee percentages for the respective offers to the gross receipts specified in the prospectus and assumed by each offeror. That process will yield a franchise fee value for each offeror that may be compared with the franchise fee values for other offerors.

## 6. Comparing the Offers and Documenting the Process: Summary of Proposals Memorandum

- a. After all the proposals have been reviewed and documented, any proposals receiving a **NOT SATISFACTORY** rating for any of the criteria should be eliminated from further consideration. The justification for such a **NOT SATISFACTORY** rating must be carefully explained.
- b. The summary of proposals memorandum should present the conclusions about each proposal. Provide very strong written justification for the scoring. The summary will begin with a numerical sum of the points for the five criteria and will be followed by a brief but warranted commentary justifying the ratings.

## 7. Selection of Best Proposal

- a. The prospectus, proposals, proposal evaluations, credit checks, and other reference check information should be included as attachments to the summary of proposals memorandum sent by the evaluation panel to the selecting official. This material provides the entirety of the information to support the selecting official's decision. All the unofficial notes and tables compiled by the evaluation panel should be destroyed upon completion of the panel review.
- b. The selecting official is to review the materials provided by the evaluation panel and confirm, upon application of the selection factors, the best proposal. The selecting official is also to review the conclusions of the evaluation panel of any proposal considered nonresponsive, that is, any offeror's criterion that was given a **NOT SATISFACTORY** rating.
- c. When the selecting official selects which is the best overall proposal, the reasoning for this decision must be documented. Usually, it will be enough for the selecting official to concur in writing with the reasoning in the summary of proposals memorandum. However, when appropriate, the selecting official should state in narrative form, upon application of selection factors, his or her reasoning for selecting the best overall proposal (or, if applicable, his or her reasoning for determining nonresponsiveness). The easiest way to write the narrative is to tell a story. That story must be compelling, convincing, and defensible.
- d. In the event a responsive proposal from an offeror with a right of preference is not selected as the best proposal, such offeror must be notified in writing of the superior terms and conditions of the best proposal and be given a reasonable opportunity to amend its proposal to meet those superior terms and conditions. If the offeror with a right of renewal preference does so within the period of time allowed and the proposal, as amended, is determined by the selecting official to be substantially at least equal to the best proposal and the offeror is determined to be capable of carrying out the terms of the amended proposal, the offeror with a right of preference shall be selected for award of the concession contract upon the terms and conditions of its amended proposal.
- e. The proper internal parties should be briefed and letters written promptly to all offerors announcing the selection and thanking the offerors for their participation. The individual evaluation of each proposal can be provided either at this time or sent later, if requested by the offeror.



## 8. Housekeeping Notes

- a. The evaluation panel members are responsible for the products of the proposal evaluation process. However, if the matter is controversial, consider having a solicitor present throughout the process to help evaluate the legal technicalities that may arise. Remember, however, a solicitor cannot be expected to do your thinking for you or to ensure that you conduct a sound, business-like evaluation and leave a good document trail.
- b. Ensure that the proposal items that need to be included in the final concession contract are identified (e.g., the proposed franchise fee, the risk, the environmental management programs, and the additions or changes to the maintenance and operating plans. The proposal will be of little use if it is not reflected in the very concession contract that will guide future operation of the concession during the new contract term.
- c. The panel should critique the process used. Improvements should be recommended for incorporation in future evaluations.
- d. Establish what is needed to form the record of the decisionmaking process. The prospectus, all proposals, the individual proposal evaluation documents, the summary of proposals memorandum, and credit and reference reviews should be included. Draft materials, notes, or other preliminary or review information should not be retained. Destroy all material considered unnecessary to summarize and validate the review and conclusions, including computer files.
- e. The instructions set forth above do not preclude establishing additional levels of review, such as a selection panel to assess the results of the evaluation panel. Appropriate procedures should be developed to integrate evaluation responsibilities in such circumstances.

## B. EVALUATION DOCUMENTS

This is the basic evaluation document. It has two parts. The first part, the evaluation sheet, includes the name and address of the offeror being evaluated, the names and titles of the panel members doing the review, a description of the evaluation procedure used, and a summary of the results for the proposals evaluated.

The second part is the evaluation summary and should be an abbreviated form of the proposal format used in the prospectus. The offerors should organize their proposal in the format of the proposal package. That will enable the Reclamation review panel to review and compare each proposal more easily, systematically, and thoroughly.

All evaluation panel members should collectively prepare one evaluation document for each proposal received, based on a compilation of the panel members' individual evaluations. The evaluation summary at the front of the evaluation document should be completed for each proposal. This evaluation, once completed, should be complete with respect to all the factors evaluated and conclusions drawn about that proposal. It should be written with the understanding that it may be provided to each offeror and to congressional staff inquiring on behalf of a constituent or the offeror. Note, however, that some of the information contained in the evaluation document will be confidential. Therefore, the evaluation document may not be made generally available to anyone. These forms should be made available to panel members in an electronic format for ease and efficiency of completion by multiple members.

# 1. Evaluation Sheet



Date of evaluation: \_\_\_\_\_

Full name of offeror: \_\_\_\_\_

Address of offeror: \_\_\_\_\_

Telephone number of offeror: \_\_\_\_\_

FAX number of offeror: \_\_\_\_\_

Proposal was signed by: Mr./Ms. \_\_\_\_\_

Title: Chairman of the Board/President/Chief Executive Officer Signed  
by Proposal on behalf of ( *Corporation Name* )

## Evaluation Panel

Chair: Mr./Ms. \_\_\_\_\_

Title: \_\_\_\_\_

Location: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Title: \_\_\_\_\_

Location: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Title: \_\_\_\_\_

Location: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Title: \_\_\_\_\_

Location: \_\_\_\_\_

Consultants: Mr./Ms. \_\_\_\_\_

Title: Solicitor, Office of the Solicitor, Department of the Interior,  
Washington, DC

Mr./Ms. \_\_\_\_\_

Consultant Title: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Consultant Title: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Consultant Title: \_\_\_\_\_

## **2. Method of Evaluating Proposals – Principal Factors**

Concessionaires are selected through an evaluation of the criteria specified, including:

- a. Responsiveness of the proposal to the objectives of preserving and protecting the resources of the area.
- b. Responsiveness of the proposal to the objectives of providing high quality visitor services.
- c. Experience and background of the offeror, including the management expertise and past performance of the offeror relevant to providing the same or similar visitor services as those specified in the concession contract.
- d. The offeror's understanding of the financial needs of the business and the financial capability to meet the necessary financial obligations.
- e. Financial benefit to the Government.

Upon consideration of each offeror's proposal with respect to each of these criteria, Reclamation selects for award of the concession contract the offeror that submitted the best proposal on an overall basis.

In documenting the evaluation of proposals, the evaluators, under the appropriate criteria and questions, paraphrase or quote the response made by the offeror. These factual statements, including page number references to the proposal to facilitate future reference, are indented and blocked from the left margin. Comments or analyses or other evaluations of the offerors response are added to by evaluators in statements beginning against the left margin and preceded by three asterisks (\*\*\*) . At the end of each criterion, there is an evaluation summary of the response.

## **3. Evaluation Summary**

Overall Rating: (Superior, Good, Satisfactory, or Not Satisfactory)

Summary: (A brief summary of the reasons for the rating will follow, preferably in narrative form.)

The summary evaluations for each individual criterion are duplicated in the evaluation summary section of this evaluation. "Not Satisfactory" means that the offeror failed to satisfy the requirements of the criteria. "Satisfactory" means that the offeror's response was acceptable and met the basic criteria. "Good" means that the Proposal was better than satisfactory because it exceeded some of the basic criteria. And "Superior" means the proposal exceeds all the basic criteria.

It is necessary for a proposal to achieve a satisfactory or better rating on each of the criteria to be an acceptable proposal.

#### **4. Summary of Proposals Memorandum**

After the review, briefly describe how thoroughly the proposals addressed the factors under consideration in a summary of proposals memorandum. Attach the memorandum to the beginning of the compilation of the individual proposal evaluation summaries. The memorandum is then given to the selecting official who is asked to make the final selection decision.

It is possible for proposals to be roughly equal overall but to have different strengths and weaknesses. The evaluation panel and the selecting official should make every effort to make distinctions between proposals with respect to each criterion.

## EVALUATION SUMMARY

Name of offeror: \_\_\_\_\_

Criterion 1: Responsiveness of the proposal to the objectives of preserving and protecting the resources of the area

An overall analysis is required for the response to each criterion. Move a copy of that analysis paragraph for each criterion to a schedule like this so as to create a summary of the evaluation results.

Criterion 2: Responsiveness of the proposal to the objectives of providing high quality visitor services

Criterion 3: Experience and background of the offeror, including the past performance and management expertise of the offeror, relevant to providing the same or similar visitor services as those specified in the concession contract

Criterion 4: Offeror's understanding of the financial needs of the business and its financial capability to meet the necessary financial obligations

Criterion 5: Financial benefit to the Government

You should prepare an evaluation form that outlines, and therefore allows for evaluation of, each of the main subject headings and the criteria identified in the proposal.

## SUBCHAPTER 1-8 – WRITING AN OVERVIEW OF THE AREA OF OPERATION

**[NOTE TO PREPARER: This document must be tailored to the area by the preparer. It is not necessary to describe the business opportunity or include any issues that have been addressed in other prospectus documents. Accordingly, repetition should be avoided by referring to the primary section of the proposal package where a subject has already been addressed. The preparer should select the appropriate items from the list that follows for inclusion in this section, adding any items deemed necessary and omitting the rest. The preparer should bear in mind that he or she has a responsibility to provide potential Offerors with a clear and thorough characterization of current concession operating conditions and any factors that will influence concessionaire management decisionmaking. Italicized text is offered as an example of text that might be used. Naturally, it should be edited to suit the particular area and conditions being addressed.]**

### **A. AREA OF OPERATION**

Describe the area of operation in terms of size (acres) and location. Include information about major destinations in the area; significant natural, historic, or cultural sites; and distances from urban areas.

### **B. LEGISLATED PURPOSE AND SIGNIFICANCE OF AREA OF OPERATION**

When was the area of operation created? Why was it created? What are the legislative purpose, significance, and traditional use pattern(s) for the area? What percentage of the area is undeveloped? What types of threatened or endangered species are found in the local ecosystem? Identify significant issues associated with the area. If there is a Website associated with the area, provide the link for further information.

### **C. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS AND AREA JURISDICTION**

Each area of operation must characterize Federal, State, and local laws and jurisdiction affecting the concession operation on matters of public health and the acquisition of permits and licenses related to construction, the sale of alcoholic beverages, air quality protection, and hazardous waste management and other environmental requirements. Jurisdiction refers to the political entity that has the authority to enforce its requirements on the concessionaire. The following are examples of what information might be provided to offerors:

*Area unit name operates under the jurisdiction of the Federal Government. The area has concurrent jurisdiction with the State.*

*Law enforcement within **the area** is conducted by deputy sheriffs or Federal officers from other agencies. (The Bureau of Reclamation (Reclamation) does not have direct authority to conduct law enforcement.) These officers enforce both Federal and State law pursuant to the Assimilative Crimes Act of June 25, 1948. Also, local and State law enforcement officers may enter the area to enforce local and State law. The area has a memorandum of understanding with law enforcement agencies in the region that details the mutual aid relationships between the law enforcement agencies operating within and near the area. Fire protection is initially provided by (insert the name of the responsible authority [e.g., the California Department of Forestry]). (Reclamation does not provide fire protection or suppression.) The concessionaire will be required to support these activities, as described in the operating plan.*

*Public health codes are prescribed by the United States Public Health Service (USPHS), and inspections will be conducted in accordance with model codes issued by USPHS. USPHS or local health agencies will inspect and supervise the operation of the area's water supply and sewage disposal systems. It will also inspect food service operations. Plans for food service facilities will require approval of Reclamation, in consultation with USPHS. The county will also inspect concession restaurant operations on a schedule determined by the county. USPHS or the county also reviews plans and drawings for appropriate health and safety requirements.*

*Applicable building codes include (name) County codes or the applicable national codes that have been adopted as Reclamation standards, whichever sets a higher standard. Plans must be reviewed and approved by the (name) County building office, and associated fees must be paid. The county will approve plans only if they are in conformance with applicable codes. Higher standards required by Reclamation will be part of Reclamation's Concessions Review Program. No construction may be undertaken unless Reclamation has issued a letter or permit to proceed and has formally approved the proposed plans.*

*Although concession operations are conducted on Federal property, the Concessionaire is subject to State and local laws and ordinances just as if it operated off Federal property. Accordingly, the concessionaire is normally required to obtain local and/or county business permits and to pay local and/or county taxes.*

*Concession management employees should, in advance, make note of the applicable agencies.*

#### **D. AREA MANAGEMENT STRUCTURE**

Describe the management structure of the area. Who is the area manager? How many staff members are full time, part time, or seasonal? An offeror should be made aware of



the major subdivisions of the area, the individuals within Reclamation and other agencies the concessionaire will work with, and the overall decisionmaking process within and between those agencies.

## **E. AREA RESOURCE MANAGEMENT ISSUES**

This section should address area-specific resource management issues that may be present. If a Resource Management Plan exists, it too should be referenced in this section.

*Interactions between wildlife and area visitors are a growing problem. The area has developed a plan to resolve this situation. This plan will affect the way in which the concessionaire and its employees may operate in the area. (Reference where these management plans are found.)*

## **F. AREA INTERPRETIVE THEMES AND GOALS**

Briefly describe interpretive themes and goals and provide a source for additional detail. This section is important for concessions that provide interpretive services or sell gifts or souvenirs. Providing these services or selling goods should be in accordance with area themes and goals. Identify specific thematic requirements with which concessionaires must comply.

## **G. HISTORIC STRUCTURES AND PRESERVATION GOALS**

The preparer should include a description of any historic preservation programs that are in place and their impact on concession operations. Describe maintenance or other requirements for any important furnishings. Below the description, the preparer should list or otherwise identify the buildings affected. This can be done by reference to the concession contract. Describe the role of the State Historic Preservation Officer, if appropriate.

## **H. AREA PLANNING DOCUMENTS AND PLANNED IMPROVEMENTS**

Describe the planning documents that control the area of operation and specifically how those documents might affect concession operations. Where sections of planning documents specifically discuss the operation of, or need for, commercial visitor services, the preparer should quote those sections verbatim and indicate how the Offerors may acquire copies of the source document. Concession-relevant planning documents may include various area Management Plans or Master Plans, Concession or Visitor Services Plans, and Resource Management Plans. Certain planning documents will impact the prospectus directly; those plans should be included as an attachment to the prospectus.

## **I. AREA IMPROVEMENT PROJECTS**

Describe any ongoing or pending construction projects that may influence the concession. These would include repair and rehabilitation, cyclic maintenance, construction, day labor, roads and trails, Federal lands and highways, and anything else that could interrupt concession operations or hinder access to concession or Reclamation facilities and resources in a significant way. Area improvements could also be taking place outside the area's boundaries and would have a direct effect on the concessionaire. These should be identified. Also, any specific issues that may impact the operation should be identified; e.g., third year of a drought that has resulted in water levels at an all-time low.

## **SUBCHAPTER 1-9 – WRITING THE BUSINESS OPPORTUNITY**

### **A. GENERAL INSTRUCTIONS**

#### **1. Purpose**

The purpose of this section of the prospectus is to describe the business opportunity to potential offerors. A clear and complete description will serve to encourage proposals better than motivational language. Offerors will be seeking to minimize their risk. Minimizing uncertainty will help to do that. Certainly, you should use a positive tone in the presentation. But glowing language will not attract proposals if the prospectus lacks sufficient information to make a sound business decision.

Before beginning this section of the document, make sure that all the specific details of the operation have been determined. Identify all concessionaire investment and operating requirements and opportunities. It should be very clear what existing and planned resources will be made available to the concessionaire, what the historical demand has been for the concession's goods and services, and what special requirements may be imposed on the concessionaire—especially those that have financial implications.

#### **2. Feasibility of the Operation**

Feasibility of the concession operation should have been demonstrated in a study before issuing the prospectus. The results of the study should show that the proposed concession operation, as specified in the proposed agreement, is a good business opportunity. To do that, the feasibility study should have projected revenue, expense, and income streams, by department—that is, according to each of the principal sectors of the business, such as lodging, food and beverage, retail, and boat rental.

#### **3. Releasing Historical and Projected Financial Information to the Public**

The preparer must be very careful about releasing historical financial information about the concession operation. The FOIA governs such release. In essence, it forbids the release of proprietary information from a contractor if the agency, after consultation with the contractor, determines that the release of the information would result in competitive harm to the contractor. Therefore, unless Reclamation obtains written agreement from an existing concessionaire to release historical operating information contained in the concessionaire's financial reports

to Reclamation, the prospectus should report only historical gross revenues—and only on the condition that the historical franchise fees paid were calculated on the basis of gross revenues.

This is very important. Franchise fee payments are public information. Therefore, historical gross revenues could not be considered proprietary information if the franchise fee was calculated based on the concession's gross revenues. Moreover, if franchise fees were calculated monthly from monthly gross revenues, historical monthly gross revenues can and should be reported in the prospectus.

Obviously, the converse is also true. If the franchise fee was not calculated based on gross revenues, historical gross revenues would be considered proprietary information and could not be released without the concessionaire's permission.

On the other hand, financial projections may be, and should be, presented in the prospectus. These should be obtained directly from the feasibility study for the concession operation. Although it would be reasonable for the reader to infer that the forecasts were based on a review and analysis of the concessionaire's historical finances, their inclusion would not violate FOIA as long as only the forecasts were presented.

#### **4. Where to Begin the Writing Process**

Because the business opportunity document will reference key sections of the concession contract, the concession contract must be completed before writing this section.

In writing the business opportunity document, keep in mind that a reasonable effort to explain all the facts, both good and bad, must be made. An open, honest, and complete presentation of all information is necessary. The offeror must be asked to perform its own analysis and draw its own conclusions. Add disclaimers when presenting data about which there may be some uncertainty. Cite sources. Some types of information, like existing building conditions and estimated construction costs, may be provided by Reclamation, but offerors should be required to perform their own inspections and make their own judgments and estimates.

If a subject is adequately covered in other sections, it need not be repeated, just referenced. Indeed, to avoid confusion about different wordings, if any information is repeated, it should be repeated in exactly the same words.

The following presents descriptions for each suggested section of the business opportunity discussion with appropriate sample wordings. Not all the following sections need to be included in the business opportunity document. However,

caution is advised when leaving sections out. Depending on the situation, it may make more sense if sections are combined. For example, it might be easier to combine the “existing operations” and the “future operations” sections into one section called, “information on existing and future services,” especially if the concession services are small and will remain unchanged. Some sections may not be relevant to a particular operation and can be completely omitted. For example, if a CFIP is not intended, simply leave this section out. Although a RAFI will be required, a particular CFIP may not be specified. In this case, the discussion of the RAFI would not refer to a CFIP.

## **B. THE BUSINESS OPPORTUNITY**

### **1. Introduction**

Begin with a brief introduction, describing the location, setting, access, recreation opportunities, and concession business being offered to a prospective concessionaire. Refer to any existing concession that is already in operation and note how long the enterprise has been operating. Include a map of both the larger region and particular site.

Include photographs. Your purpose is to interest a person who may be completely unfamiliar with the area, business enterprise, or facilities in the region or particular site.

#### **Example 1:**

*Reclamation is requesting proposals for a concession operation in the Bluebottle Mountain Range near Wilson Gap, Oregon. A concession has been operated at the site since 1982. The operation is located on a low rise, about one-half mile from the banks of the Highland River and accessible via Interstate 20 and State Highway 406. It is also accessible from Wilson Road. The business provides livery services for some 15,000 visitors each year on an extensive system of equestrian trails covering some 125 miles of mountain country. The business operates seasonally from April 1 through October 31. The stock is removed from the area of operation each fall.*

#### **Example 2:**

*Reclamation is requesting proposals for a concession operation at Loon Lake, California. Loon Lake is located 20 miles west of Stanleyville and is accessible from State Route 36 and Stanleyville Road. Loon Lake provides a variety of outdoor recreation activity opportunities, including horseback riding, fishing, and boating. The Loon Lake Lodge complex lies in the center of the expanse of Reclamation’s authorized management area and provides a rustic lodging*

*experience for visitors (a 10-room cottage and 20 log cabins). Accommodations are best suited for small groups, but large parties are frequently accommodated. There is a separate kitchen with gas refrigerators and stoves, a separate toilet building, with running water sinks, and a separate hot water shower building. The small, modern marina contains ten 12-foot boat slips and five mooring floats, and it allows for boat launching from a two-lane ramp. Also located in the complex are a horse stable, large log barn, and miscellaneous structures used for storage, water treatment, and temporary staff quarters.*

**Special Note:** This section should be expanded to include all types of local information such as areas of financial, tourism, and environmental importance. To the extent possible, include information on visitation to the area and to surrounding areas. Also, include information on the type of visitors currently using the area and any anticipated changes based on initiation of a new contract.

## **2. Contractual Right of Renewal Preference**

If a right of contract renewal preference was granted in the previous concession contract that right should be described. Under no circumstances should a new or an existing right of contract renewal preference be granted in future concession contracts.

## **3. Existing and Future Facilities**

This section should describe the existing concession *facilities* and any changes in those facilities that will either be required or allowed in the future. A later and separate section of the business opportunity will describe the existing and future services. This section should include a brief description of the facilities the new concessionaire will be responsible for maintaining and constructing. Include the number of buildings, types of buildings, description of the marina and the number of slips, the boat ramp, launch facilities, restrooms (with the number of toilets), and lodging (with the number of cabins or rooms). Reference the relevant sections of the concession contract and appendix that give further details on the facilities (e.g., refer to Exhibit B: Area of Operation and Assigned Land [subchapter 2-3] and Exhibit D: Authorized Reclamation and Concessionaire Improvements [subchapter 2-5].) Reference, but do not describe, insurance requirements described in exhibit I of the concession contract in the prospectus. Describe any historic relevance of particular buildings and whether any proposed changes in facilities require consideration of the National Historic Preservation Act of 1966, as amended. For example:

*The existing cabins are considered to be in good condition. Similarly, housing for the seasonal staff is considered to be adequate and in good condition. The buildings and land assigned and the trails used are described in exhibit B (subchapter 2-3) of the new concession contract, which is part of this document. Worksheets that were prepared to*

*facilitate estimating the insurance replacement cost of the facilities and showing the essential aspects of the facilities, including pictures, are available for review in the area of operation.*

*The cabins in the lodge complex are original log construction and are adaptively used. All are in good condition. The existing kitchen facilities are primitive and include gas-operated refrigerators, stoves, and water heaters. The marina facilities are new and in excellent condition. The buildings and land assigned are described in exhibit C (subchapter 2-4) and exhibit D (subchapter 2-5) of the concession contract and are part of this package.*

#### **4. Concession Facilities Improvement Program**

The purpose of this section is to refer the offeror to the requirement in the concession contract, if any, to commit to real property improvements, whether Reclamation or concessionaire improvements, over a set period of time and level of funding. For example:

*Improvements will be required over the duration of the concession contract. Section 4 of the concession contract identifies the timing of the projects and the required expenditures. Total expenditures are expected to be approximately \$1 million.*

Each existing improvement and improvements to be developed should be identified and described using pertinent data, such as type of construction, floor areas of buildings, and operating capacities of utilities.

Identify the expiration date of the existing concession contract and any contractual terms that will affect the new concessionaire—such as a requirement to purchase the existing concessionaire’s CIR, if any exists in this concession contract.

Any facilities in which the existing concessionaire holds CIRs and which are to be acquired by the new concessionaire should be described and the CIR values noted.

Each of the concessionaire’s responsibilities for rehabilitating existing concession facilities and for constructing new facilities should be explicitly described. Any facilities that were constructed, or will be constructed, with Reclamation funds and that will be made available to the concessionaire should be similarly described. For example:

*In 2006, the concessionaire will be required to construct four duplex lodging units, each with three bedrooms, one bathroom, a total floor area 600 square feet, and capacity for six overnight guests.*

*During the term of the new concession contract, in 2004, the new concessionaire will be required to demolish the old general store and construct a new store (of 1,000 square feet) at Summit Junction.*

Exhibit C of subchapter 2-4 and exhibit D of subchapter 2-5 should describe any requirements for demolition and the location, size, and quality of construction for the lodging units and store.

This section should provide all specific information about the previous and future facilities to be operated by the concessionaire—including all utilities, buildings, floor areas, seating capacities, dates of original construction, and dates and nature of rehabilitation and improvements. The information may be presented in the form of a table for ease of evaluation and comparison (e.g., a table titled, “Existing vs. Proposed Facilities”).

All such facility improvement requirements must be specified in the concession contract.

## **5. Existing and Future Services**

Note that facilities and services should each receive their own separate sections. The section should present information about the existing services, specifying the particular service changes that will be required or permitted under the new concession contract. Cite the particular sections in the concession contract in which they are specified. For example:

*The same types and levels of services will be allowed to continue, except the number of horses will be reduced from 20 to 15, as described in exhibit E.*

All such service requirements must be specified in the concession contract. Both the type and level of services should be specified in as explicit detail as possible.

Include all available data about the concession services. Describe the existing concession’s operational history, using all available data that indicates visitation—such as regional roadway vehicle counts, visitation to the site, lodging and campground occupancy rates, numbers of boat launches, numbers of horse rentals, and seasonal operating dates permitted or required. For example:



The lodge has been operated by the existing concessionaire since 1999. The following presents some historical operating statistics:

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<b>Lodge (high season) (define the period)</b>			
Occupancy	89.5%	93.5%	96.7%
<b>Lodge annual</b>			
Occupancy	78.7%	79.5%	83.7%
<b>Number of meals served</b>			
Breakfast	6,576	7,786	7,587
Lunch	3,789	4,563	3,870
Dinner	9,876	9,546	9,876
<b>Number of horse riders</b>			
2-hour	5,285	6,654	6,344
4-hour	7,877	7,365	7,987
8-hour	5,444	5,762	5,988
<b>Number of boats launched</b>			
	1,476	1,628	1,592

However, **you may not include proprietary information about the previous concessionaire.** Annual revenues may be considered confidential (when the franchise fee was not calculated based on gross revenues, as described in the section above, “Releasing Historical and Projected Financial Information to the Public”), and the preparer should be cautious about presenting this information. The concessionaire’s historical operating expenses and income are always confidential.

Future services that are required or authorized should be included in this section, including any anticipated changes that might affect the business. Here are two examples:

*Subject to available Government funding, the road between Summit Pass and Ravenswood will be under construction beginning in 2004. Construction will be in two phases, and each will require closure of one lane in the segment of the road being constructed. It is possible that the full closure of the road could occur for portions of the year and extend into 2006 or 2007. These road closures may have a significant impact on concession operations. If the road is entirely closed for some periods, Reclamation will consider an adjustment in the financial terms of the new concession contract.*

*The business is to continue as in the past over the life of this proposed 10-year concession contract. Normal growth in demand should be accommodated, except as constrained by the limits on trail use specified in the area of operation's Stock Management Plan. Such limits will be imposed in an effort to avoid negative stock and hiker interactions. Those limits have not yet been reached, but may be reached during the term of the new concession contract. Nevertheless, it is expected that an extensive system of more than 100 miles of trails will remain available for stock use. The existing stock rental, guided trips, and backcountry packing are expected to continue as described in the concession contract.*

Include required and authorized relevant information such as:

*A year-round operation is required, although reduced service is permissible in the winter months.*

*Limited sale of merchandise such as snacks; drinks; convenience items for boaters, hikers, and overnight guests; souvenirs; fishing equipment; and similar items is authorized.*

*Day hikers and boaters may be served meals with or without reservations at the discretion of the concessionaire.*

If the area manager wishes to encourage certain activities, include them. For example:

*Special interpretive and recreation programs that would enhance visitors' educational and recreation experience and be consistent with Reclamation objectives, resource preservation and protection standards, and safe use of the Big South Fork resources are permitted and encouraged. Historically, appropriate musical entertainment, survival clinics, search and rescue training, boating safety, fishing contests, storytelling activities, and similar interpretive presentations are examples of program activities that might be scheduled.*

## **6. Basic Financial Information**

The purpose of this section is to give offerors the opportunity to make financial judgments. The preparer should review the section above, "Releasing Historical and Projected Financial Information to the Public." This section of the business opportunity should refer the offeror to the financial information contained in the appendix to the prospectus, reminding the offeror that all financial projections are the offeror's responsibility. If any visitor surveys have been performed, the results should be referenced and included in the appendix. For example:

*The concession's historical annual gross receipts and franchise fees for the past 5 years of the concession's operation, together with certain other financial information, are presented in the appendix.*

*Reclamation will not provide financial projections for the concession's future operations. In the proposal, offerors are required to present their own financial projections for the concession's annual operations—including gross revenues by operating department, operating expenses by department, and income. The projections should conform to the format presented in exhibit C of the concession contract titled, "Financial Forms and Reporting Requirements."*

## **7. Environmental Management**

This section should describe the concessionaire's responsibilities for preparing and implementing an Environmental Management Program (EMP) as per the Proposal and section 3 in the concession contract. For example:

*The new concessionaire will develop, document, implement, and comply fully with a comprehensive written EMP to achieve the environmental management objectives as per the concession contract section 3. The proposed EMP will be updated and submitted for approval annually.*

*The existing concessionaire currently recycles glass, aluminum, and cardboard. Aluminum cans are marked and a 5-cent deposit is charged per can. Deposit revenue is used to offset the cost of recycling. Under the new concession contract, the concessionaire will participate in a similar Reclamation-wide recycling program.*

*The existing concessionaire owns two underground storage tanks that are located near the general office. They include a small heating-fuel tank and an 8,000-gallon tank. The gasoline tanks are approximately 8 years old and are in compliance with current codes. The new concessionaire will be responsible for continuing to maintain these tanks in compliance with applicable codes.*

## **8. Risk Management Program**

Describe the concessionaire's responsibilities for preparing and implementing a Risk Management Program (health and safety) for the proposal, similar to the EMP above. Reference section 3, subchapter 2-1, in the main body of the concession contract and Exhibit M: Risk Management, subchapter 2-14.

*The new concessionaire shall be required to provide a safe and healthful environment for all employees and visitors. The concessionaire must meet the risk management performance standards as described in the*

*concession contract and develop a Risk Management Program in accordance with these standards. One requirement of the performance standards is that the concessionaire performs self-inspections to ensure compliance with all applicable health and safety regulations and standards. The concessionaire must also provide appropriate training for employees and staff as set forth in the risk management exhibit, exhibit M.*

## **9. Maintenance**

Maintenance responsibilities will be clearly defined in exhibit f of the concession contract. These responsibilities are minimum requirements that must be agreed upon by the concessionaire's signature to have a responsive proposal. Additionally, the offeror may make changes or additions to these minimum requirements and present them in the proposal. Reclamation will approve or disapprove of them. If they are approved, they will be included in the final concession contract. To introduce this issue, text like the following should be included in the prospectus:

*The new concessionaire will be assigned lands and facilities in the area of operation that are necessary for the concession operation; these lands and facilities must be maintained in a manner acceptable to Reclamation. The new concession contract will specify the concessionaire's responsibilities for maintenance, repairs, housekeeping, and grounds keeping of all concession facilities and lands assigned. The standards and minimum requirements are established in the Concession Contract Maintenance Plan, exhibit F, which the concessionaire must agree to in order to have a responsive proposal. In its proposal, the concessionaire may submit additions or changes to the Maintenance Plan, exhibit F, that are consistent with the objectives outlined in exhibit F of the concession contract. The additions or changes must be approved by Reclamation before being included in the final concession contract.*

## **10. Operating Plan**

Similar to the Maintenance Plan above, the Operating Plan should be described in general terms and referred to in exhibit G (subchapter 2-8). The business opportunity (subchapter 1-10, B.1.a) should mention that:

*The concessionaire may submit, as part of its proposal for the concession contract, additions or changes to exhibit G, Operating Plan, that are consistent with the concession contract.*

## 11. Reserve Account for Facilities Improvement

Funding for routine maintenance will be covered by the concessionaire's operating expenditures. However, funding for concession capital improvements will come from a RAFI maintained by the concessionaire and to which the concessionaire will make monthly or annual deposits. It is preferable to specify such improvements in a capital improvement program prepared as part of the feasibility study before issuing the concession contract and the prospectus. However, if a specific capital improvement plan is not prepared in advance of entering into the concession contract, capital improvements will be specified during the term of the concession contract, for which funds will be drawn from the RAFI.

*The new concession contract will require that the concessionaire establish and maintain a RAFI as a percentage of gross receipts. (See exhibit H, subchapter 2-9, and exhibit K, subchapter 2-12, in the concession contract.) This reserve account will be used as directed by the Secretary for approved major capital improvements as well as for special repair and maintenance projects—namely, those that are nonrecurring within a 7-year time frame, such as foundation replacement, electrical, plumbing and heating systems, or roof replacement. The RAFI will not be used for routine repairs or maintenance—that is, repairs and maintenance that normally recur within a 7-year time frame. Therefore, the amount of funds available in the RAFI will not limit in any way the responsibility of the concessionaire to perform routine repair and maintenance functions or to carry out its housekeeping and ground-keeping responsibilities. (See the description of RAFI in exhibit K of the concession contract.)*

**[NOTE TO PREPARER: Insert the following text up to the word “END” if the concessionaire will be granted the right to a CIR in this concession contract.]**

*The concessionaire will be entitled to recover compensation for any undepreciated value of improvements made with funds from the RAFI. This recovery value is termed “CIR.” (See the description of the CIR in exhibit C, subchapter 2-4, and section 5, subchapter 2-1, in the concession contract.)*

*Any unexpended funds remaining in the RAFI at the end of the concession contract term will be deducted from the concessionaire's CIR value. New concession contracts are required to begin with a balance at least equal to the amount deducted from the prior concessionaire's final CIR value, thus transferring the unexpended balance of the RAFI from concession contract to concession contract.*

**[END]**

**[NOTE TO PREPARER: The following text should be inserted if the concessionaire will not be granted the right to a CIR in the concession contract.]**

*Any unexpended funds in the RAFI at the end of the concession contract term will be transferred by the concessionaire to Reclamation and will become the property of Reclamation.*

**[END]**

*If the initial deposit made into the RAFI account by the successful offeror/new concessionaire differs from the RAFI deposit estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as to not affect the net financial impact on the new concessionaire.*

## **12. Utilities**

The offeror should be made fully aware of what its and Reclamation's obligations will be regarding construction, maintenance, and operation of utility services. Any utility fees should be specified in the prospectus. For example:

*Water will be provided from a well on the property. Sewage is disposed of by a septic system. The concessionaire will pay Reclamation an annual user fee of \$\_\_\_ for both. Trash removal may either be provided by Reclamation for a fee or arranged by the concessionaire. All other utilities will be purchased from private utility companies.*

or,

*Water will be obtained from a single well, pump, and storage system. The storage tank holds chlorinated well water that is gravity fed to usage points. Sewage and wastewater are handled by a septic system. Electricity is provided by a private utility company, but no telephone service is available to the facility at this time. Radio communications are necessary for emergency operations. Solid waste is burned on site or hauled from the site for disposal in a landfill. The concessionaire will be responsible for all the above operations and for maintaining and improving the associated facilities, as needed. Reclamation will not be responsible for operating or maintaining any of the above services or for funding any of the facilities required for those operations.*

### **13. Term and Effective Date of New Concession Contract**

The term and dates of the new concession contract should be specified, such as:

*The new concession contract will be for a term of 10 years from the effective date of the new concession contract. The effective date of the new concession contract will be December 31, 2003.*

### **14. Franchise Fee**

The feasibility study will indicate the franchise fee that might be expected while yielding the concessionaire a reasonable return on its investment. Generally, the prospectus will not specify a required minimum franchise fee. However, if the concession facilities are to be in an area of operation that is very remote and very few competitive bids are expected, it may be appropriate to state a minimum franchise fee to ensure that Reclamation receives an appropriate franchise fee. When specifying a minimum franchise fee, the following wording might be used:

*The minimum franchise fee that will be acceptable for the new concession contract is 3.5 percent of annual gross receipts. Offerors may propose a higher franchise fee.*

The prospectus may also specify an opportunity for the concessionaire to propose a tiered franchise fee. That is, the fee might be at one percentage for revenues up to a certain level, then at a higher percentage for revenues at a higher level. This would allow concessionaires to minimize their risk while also allowing reclamation to benefit from higher-than-expected concession revenues. For example:

*Offerors may offer tiered franchise fees—different fees for differing ranges of concession revenues. For the purpose of this offer, one fee (as a percentage of gross revenues) may be proposed for concession revenues up to \$1,000,000, a second fee for revenues from \$1,000,000 to \$2,000,000, and a third fee for revenues over \$2,000,000.*

The section addressing the method for evaluation will then describe how such a tiered fee structure would be evaluated in selecting the winning offer.

### **15. Recovery Value of Improvements**

This section should be included only if the concessionaire will be granted the right to a CIR in this concession contract. If no right will be granted, there will be no CIR and, therefore, this section should be omitted from the business opportunity. If an existing concessionaire operated the facilities and services that are the subject of this prospectus, the existing concessionaire may have, under the

terms of its existing concession contract, certain rights to monetary compensation in the event it is not selected as the concessionaire for the concession contract described in this prospectus.

The compensation will be for the existing concessionaire's CIR in real property improvements. The detailed provisions of the existing concession contract and the particular components for which compensation will be due should be specified in an appendix to the prospectus. However, any such obligations should generally be described in the main text of the prospectus. For example:

*Title to all buildings and structures used in the concession operations in the Reclamation system is vested in the United States. However, funding for certain of those improvements was provided by the former concessionaire, who holds a right of value recovery for the depreciated value of those improvements. That compensable interest is called CIR. The nature of the right and the recovery value due the previous concessionaire is specified in the appendix of this prospectus. It will be the new concessionaire's obligation, when entering into the new concession contract, to pay the former concessionaire for its CIR value.*

*Similarly, the new concessionaire will then hold CIRs in those improvements for which it paid the former concessionaire upon entering into the new concession contract. The new concessionaire will obtain additional CIRs in any new improvements made with concessionaire funds during the term of the concession contract, including improvements made using funds from the RAFL. Those CIRs will depreciate according to the process described in section 14 of exhibit C of the concession contract.*

*At the end of the new concession contract, the concessionaire will have a right to recover the depreciated value of its CIRs—if it does not obtain the new concession contract.*

*If the compensation for CIR that is ultimately determined to be due the former concessionaire under the expiring contract differs from the CIR estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as to not affect the net financial impact on the new concessionaire.*

## **16. Personal Property**

Offerors will not be obliged to purchase personal property from the existing concessionaire. Any purchase of personal property by the new concessionaire from the existing concessionaire will be their mutual responsibility and will be conducted at arms length and without Reclamation involvement. Offerors will be solely responsible for ascertaining the personal property they may wish to purchase, its condition, and the price they may wish to pay.



If the existing concessionaire wishes to sell any or all of its personal property, that fact should be noted in the prospectus. The complete list of particular personal property for sale is generally not recommended for inclusion in either the business opportunity or the appendix to the prospectus. However, the total asking price may be included in both the business opportunity and the appendix to the prospectus. The fact that the final purchase price may be greater than estimated by an offeror will not be grounds for adjustment of the terms of the concession contract or other relief to the new concessionaire, and the bolded wording below should be included in this section. For example:

*The existing concessionaire owns personal property used in the business. A list of this property and the asking prices may be obtained from the existing concessionaire. The contact information is listed in the appendix. A new concessionaire is not required to purchase this personal property but may wish to do so if it can reach agreement with the existing concessionaire on terms that are mutually acceptable. Reclamation will not be involved in any such transaction. **The property purchased and the transaction prices will be entirely up to the buyer and seller. The fact that the final purchase price may be greater than estimated by an offeror will not be grounds for adjustment of the terms of the concession contract or other financial relief to the new concessionaire.***

#### **17. Relevant Reclamation Manual Directives and Standards and Operations Guidelines**

The Business Opportunity in the prospectus should make reference to all applicable Reclamation documents, including but not limited to Reclamation Manual Directives and Standards, found in exhibit L of the concession contract.

#### **18. Site Visits**

To orient and inform all potential offerors, an information briefing and site visit should be organized. The date, time, and location should be noted in the body of the prospectus and on the cover.

Remember that any information provided during the site visit or at any other time must be made available to all offerors. Any questions asked and the answers given must be presented to all offerors. Be very careful, especially during site visits, office visits, and in phone conversations, not to provide any information to only one offeror. Again, whatever information is given to one offeror must be given to all. **The easiest way to avoid any potential problem is to put all information and answers to any question in writing, making sure this information is received by all offerors.**

# **SUBCHAPTER 1-10 – PREPARING THE RECLAMATION CONCESSION PROSPECTUS**

## **A. OVERVIEW OF THE RECLAMATION CONCESSION MANAGEMENT GUIDELINES**

The purpose of the Reclamation Concession Management Guidelines is to guide Reclamation personnel in their efforts to comply with the Reclamation Manual Policy (LND P02) and the Reclamation Manual Directives and Standards (LND 04-01 and LND 04-02) and thereby achieve consistency with regard to planning, developing, and managing of Reclamation concessions.

Following Part 1 of this document, the Reclamation Concession Management Guidelines are divided into Parts 2 and 3. Part 2 provides concession contracting and administration guidelines:

- Directions to Reclamation staff for preparing prospectuses and concession contracts for particular concession operations.
- Suggested language to be included in such prospectuses and concession contracts (referred to as the template prospectus and concession contract).

Part 3 provides operational guidelines:

- Operational standards.
- Regulations.
- Various additional guidelines.

The following sections provide more detailed descriptions of the concession contracting and administration guidelines and the operational guidelines.

## **B. CONCESSION CONTRACTING AND ADMINISTRATION GUIDELINES**

### **1. Assembling the Prospectus**

The prospectus, sometimes referred to as the “bid package” or “request for proposals,” is composed of seven components (see B.1. a-g, below). Each of these components will be prepared by Reclamation according to instructions in the concession contracting and administration guidelines. Once completed, the prospectus will be issued to prospective offerors in Reclamation’s effort to solicit proposals for concession contracts.

The concession contracting and administration guidelines are composed of two sets of documents—guidelines and templates for the preparer of the prospectus.

There is a guideline and template for each of the seven components of the prospectus. The templates contain standard concession contract and prospectus language that will be the foundation for all prospectuses. The guidelines include instructions designed to assist the preparer in tailoring the standard language of the templates to the particular concession operation being contracted.

In addition to the seven guidelines and templates for prospectus preparation, the concession contracting and administration guidelines also include guidelines for the evaluation of proposals. The table included in appendix A to this document provides an overview of the concession contracting and administration guidelines.

Each of the following seven components of the prospectus and its accompanying guideline is briefly described below.

- a. **Business Opportunity.**—The purpose of this section is to aid the preparer of the prospectus in describing the business opportunity to potential offerors within the prospectus document. The guidelines for writing the business opportunity (subchapter 1-9) present descriptions for each suggested section of the business opportunity discussion, including appropriate sample language. This section also contains guidelines for writing the summary of the business opportunity (subchapter 1-11). The summary of the business opportunity will not be included in the prospectus. Instead, it should be used in press releases, web site postings, and to respond to initial inquiries about the concession contracting opportunity.
- b. **Overview of the Bureau of Reclamation.**—The purpose of the overview (subchapter 1-1) is to familiarize potential offerors with Reclamation. It should include information about the history of Reclamation, its mission and vision statements, concession contracts, and various aspects of the Concession Management Program. The guidelines to preparing the overview of Reclamation are intended to assist the preparer in assembling the text for the overview and include sample language for the text.
- c. **Description of the Area of Operation.**—The prospectus will include a description of the concession’s area of operation. The description is intended to help prospective offerors to understand the concession’s business setting. The guidelines to the description of the area of operation (subchapter 1-8) present sample language for the description of the area of operation. However, not all the items included in the sample would be appropriate for every concession operation. Therefore, the preparer will necessarily tailor the description to portray the particular area of operation and the conditions being addressed. Particular items that might be described are the legislated purpose of the area of operation, cultural and historical significance of the area, governmental jurisdiction, particular laws that will affect the concession’s operation, the area’s management structure, planning documents, and special resource management issues.

- d. **Proposal Preparation Instructions to Offerors.**—This section will instruct offerors on how to prepare their proposal and describe the proposal evaluation and selection process. The guidelines specifying the proposal preparation instructions to offerors should not be changed, except to include situation-specific information where indicated by blank spaces in the template. Examples and descriptions of the information that needs to be entered into those blank spaces are included in the accompanying guidelines (subchapter 1-6) for proposal preparation instructions to offerors. Furthermore, to facilitate prospectus preparation, the guidelines explain the reasoning and rationale behind specific instructions, where appropriate.
- e. **Administrative Documentation and Prospectus Overview.**—The administrative documentation and prospectus overview (subchapter 1-12) will provide specific questions and requests for essential information that offerors will be required to present in their proposals. The guidelines for preparing the administrative documentation and prospectus overview (subchapter 1-2 and 1-2b) are intended to assist the preparer in adapting the template for the administrative documentation and prospectus overview to the particular concession operation being contracted.
- f. **Draft Concession Contract.**—The concession contract sets forth the obligations of concessionaires and Reclamation regarding concession operation. The guidelines for preparing the draft concession contract (subchapter 1-4) provide Reclamation staff with a systematic framework for preparing concession contracts. They address each component of the concession contract and its exhibits and describe the special considerations and reasoning used in preparing the language for each. The guidelines include examples and descriptions of the unique concession-related information that is to be included in the contract. The template concession contract contains sample language that should be modified or adapted to suit the subject concession operation according to the instructions in the “Guidelines for Preparing the Draft Concession Contract” (subchapter 1-4).
- g. **Preparing the Appendix to the Prospectus.**—The purpose of this section (subchapter 1-3) is to assist the preparer in compiling appendices to the prospectus. The appendices to the prospectus are intended to provide offerors with useful and necessary information not included elsewhere in the prospectus. Such appendices may present historical operating revenues for the previous concessionaire (if any) and revenue projections by Reclamation, enabling offerors to better evaluate the business opportunity.

## 2. Evaluation of Proposals

The guidelines for evaluation of proposals (subchapter 1-7) address all the tasks required to select the winning proposal, including instructions to the members of the proposals review panel. Those instructions provide the panel with the tools and procedures it needs to complete an evaluation of proposals and select a concession contractor. Following the steps in this document will ensure that the evaluation and selection process is relatively simple to implement while also being fair to all offerors and defensible, in the event that the processes and decision are challenged. Although a general description of the evaluation process will be included in the prospectus, the detailed guidelines for evaluating proposals should not be included.

## C. OPERATIONAL GUIDELINES

### 1. Description of Operational Guidelines

The operational guidelines contain 17 documents intended to address the concession's operation and maintenance performance standards, the concessionaire's performance evaluation, and various other operational issues addressing Reclamation's concessions management objectives.

The 17 documents in the operational guidelines are briefly described below:

- a. **Operating Plan.**—The standards established will ensure the provision of high-quality services in accordance with the concession contract. The standards governing a particular concession operation will be included in the operating plan (chapter 5) for that concession contract. The concessionaire is required to comply with all operating standards and will be evaluated under the Concessions Review Program, based on compliance.
- b. **Maintenance Plan.**—Maintenance responsibilities of the concessionaire and Reclamation are specified with regard to the property, lands, and facilities within the specific area of operation assigned to the concessionaire for the purposes authorized by the concession contract. This document overlaps with Exhibit F: Maintenance Plan, subchapter 2-7, which is part of the concession contract.
- c. **Concessionaire Rate Approval Program.**—Chapter 7 describes the process for reviewing and authorizing the rates charged by the concessionaire (chapter 5, C.2). The purpose of the Rate Authorization Program (chapter 7) is to provide rates that are appropriate, defensible, and reflect the competitive marketplace. The program seeks to ensure a consistent Reclamation-wide approach for establishing rates and to allow flexibility for individual Reclamation areas to manage the concession operations.

- d. **Risk Management Program.**—This section provides a description of the National Environmental Policy Act process and regulations pertaining to risk management. In addition, this section presents the concessionaire Risk Management Program (chapter 13), which is also included in the concession contract as exhibit M, subchapter 2-14. This exhibit requires the concessionaire to conduct a documented inspection of all equipment, facilities, visitor activities, and work processes to determine compliance with established safety and occupational health regulations.
- e. **Insurance Program.**—The insurance program (chapter 14) specifies the types and amounts of insurance coverage that Reclamation will require of the concessionaire. This document will contain the definitions and descriptions of insurance policy, terminology and coverage, which, together with the offeror’s proposed coverages, will enable preparation of the insurance sections of the concession contract.
- f. **Concessions Review Program.**—The primary goal of the Concessions Review Program (chapter 8) is to ensure that visitor services and facilities offered by concessionaires are high quality, safe, sanitary, and otherwise in satisfactory compliance with the concession contract. The Concessions Review Program consists of four separate evaluations: operation and facility evaluation, public health service, safety and environmental, and contract compliance. This section describes the review process and includes instructions for conducting the evaluations.
- g. **Environmental Protection and Pollution Prevention.**—Chapter 12 sets forth the laws, regulations, and environmental protection policies pertaining to Reclamation’s concession management. This section also outlines the personal liability that Federal employees may incur when acting in official capacities.
- h. **Guidelines for Cultural Resource Management.**—Reclamation personnel have an obligation to protect cultural resources (chapter 15), including those specified under the National Historic Preservation Act. A cultural resource may be a cultural practice or a tangible cultural resource such as a district, site, building, structure, or object, including prehistoric, historic, architectural, or traditional cultural properties that are significant in local, regional, or national history.
- i. **Guidelines for Commercial Filming and Photography.**—Reclamation policy allows filming and photography (chapter 20) when it is consistent with the protection and public enjoyment of the area of operation resources. However, when resources are endangered, a permit for filming and photography is required. These guidelines set forth the requirements and procedures applicable to permit filming and photography on Reclamation lands.

- j. **Guidelines for Handcrafts, Gifts, and Merchandise.**—These guidelines (chapter 10) set forth the Reclamation policy for encouraging and promoting the sale of handcrafts made in the United States, including authentic Native American handcrafts relating to the cultural, historical, natural, and geographic characteristics of Reclamation areas. There is a continuing effort to enhance the scope and supply of local handcrafts where they exist and to establish a supply where they are not currently available.
- k. **Prohibition of Time Sharing.**—Chapter 21 establishes that any type of time sharing designed to provide ownership or periodic occupancy or use of any accommodation or facility for multiple years is prohibited.
- l. **Freedom of Information Act.**—Chapter 16 contains guidelines for complying with the Freedom of Information Act.
- m. **Guidelines for Smoking in Public Buildings.**—These guidelines (chapter 11) govern smoking in all facilities leased, owned, or controlled by the U.S. Department of the Interior.
- n. **Guidelines for Cooperating Associations.**—These guidelines (chapter 19) govern entities that aid and promote interpretive, historical, scientific, and educational activities in Reclamation areas to enhance visitors' appreciation and enjoyment of their experience. With Reclamation approval, cooperating associations may sell non-theme visitor convenience items under concession authorizations when the sale of such items is determined to be necessary for the comfort and convenience of visitors and when concessionaires are not presently providing such services.
- o. **Guidelines for Concession Personnel.**—Chapter 18 contains Reclamation laws and policies governing concession personnel. The guidelines contain information regarding labor relations and standards, equal employment opportunities, nondiscrimination, sexual harassment, affirmative action, training of personnel, and issues concerning employing Reclamation personnel dependents.
- p. **Guidelines for Accepting Reduced Rates and Items of Nominal Value from Concessionaires.**—These guidelines (chapter 17) present Reclamation policy prohibiting employees from soliciting or accepting gifts, gratuities, entertainment, or other favors from a person who is seeking, or who has a business relationship with, Reclamation. The guidelines describe situations in which a Federal employee may accept promotional items and food of nominal value, such as during official luncheons or dinner meetings, or while on an evaluation tour.

- q. **Assignment, Acceptance, and Approval of Sale or Transfer.**— Chapter 21 contains legal forms to be used when a concessionaire sells, transfers, or assigns its right, title, interest, or stock in the concession contract to another entity or buyer. An introduction explains the purpose of each form.

## **2. Future Changes to the Reclamation Concession Management Guidelines**

Several of the documents in the Reclamation Concession Management Guidelines refer to the use of Best Management Practices, which are subject to change as technologies and standards evolve. The guidelines contain standards and regulations that may be expected to change over time. Consequently, the Reclamation Concession Management Guidelines should be considered dynamic in character in that they may be amended or updated as needed. The preparer should verify that he or she is using the latest version of the Reclamation Concession Management Guidelines.

## **D. GENERAL INSTRUCTIONS FOR PROSPECTUS AND DRAFT CONTRACT DEVELOPMENT**

The purpose of the following section is to assist the preparer in assembling the prospectus and the concession contract. This is intended as a general guide; specific instructions on completing individual components of the prospectus are included in the guidelines for each component. The following steps should be conducted in the order presented below.

### **1. Feasibility Study**

Before preparing the concession contract and prospectus, a concession-specific financial feasibility study should be completed as part of the prospectus development assessment process. The purposes of this feasibility study are to (1) determine whether the proposed concession enterprise represents a good business opportunity for a private concessionaire and (2) to specify the appropriate terms of the concession contract, including the franchise fees paid to Reclamation and a viable program of concessionaire investment in the enterprise. The feasibility analysis findings are paramount to a successful contracting process. If a concession contract is put out to bid for a concession operation that is not feasible, it will not attract competitive and viable offers from competent prospective concessionaires.

*Therefore, preparers of the prospectus and concession contract should begin their effort by reviewing any pertinent plans or other documents, (e.g., the commercial services plan and feasibility study of the concession operation). In addition to the fundamental financial terms noted above, the feasibility study will provide important descriptive language that should be used in the concession contract and*



the business opportunity section of the prospectus. This will not only simplify the prospectus and contract writing process, it will also ensure consistency among documents. The preparer will find specific instructions in these guidelines regarding the information and language that should be extracted from the feasibility study and included in the concession contract and related documents. This information and language includes mainly the following:

- Scope and qualitative descriptions of the concession services to be offered.
- Nature, scope, and cost of new CFIP.
- Historical annual gross revenues (when available)
- Projections of future revenues and expenses (by department).
- Required deposits to a RAFI.
- Reversion values at the end of the CIR for contracts that grant concessionaires a right to compensation.
- Principal terms of the concession contract.
- Maximum rates for goods and services (if necessary).
- Minimum annual franchise fees.

**Preparers must keep in mind at all times that, while the feasibility study is an important resource to assist in their efforts, it is a highly confidential document that must not be shared with potential offerors during the contracting process.** Indeed, only the particular information identified here may be extracted from the feasibility study to be included in the prospectus or contract. On the other hand, if validated by the feasibility study, the area of operation's commercial services plan may be included as part of the prospectus.

## **2. Description of the Area of Operation**

The area of operation should be described in detail.

## **3. Overview of the Bureau of Reclamation**

The preparer should write the overview of Reclamation as described in subchapter 1-1.

#### **4. Draft Concession Contract**

The first step in assembling the prospectus itself is to prepare the concession contract. The guidelines for preparing the concession contract should be used to tailor the template concession contract to the particular concession operation. The preparer should refer to the feasibility study to specify particular terms of the contract, such as the RAFI, CIR value (if any), minimum franchise fee (if any), and concession facilities improvement requirements. Before preparing the concession contract, the preparer should always read the latest Reclamation Manual Policy and Directives and Standards to see if there are any recent amendments that reflect changes or new overriding rules that should be considered. Up-to-date Reclamation Manual Policy and Directives and Standards can be accessed on the Internet.

#### **5. Business Opportunity**

The guidelines for writing the business opportunity should be used to prepare the business opportunity section of the prospectus. The guidelines for writing the business opportunity also include guidelines for writing the summary of the business opportunity. The summary of the business opportunity is not to be a component of the prospectus. However, it should be used for press releases or to respond to initial inquiries from potential offerors.

#### **6. Appendix to the Prospectus**

Next, preparers should compile the appendix to the prospectus. (See subchapter 1-3.) Detailed information on documents to be included in the appendix is included in “Preparing the Appendix to the Prospectus.”

#### **7. Administrative Documentation and Prospectus Overview**

Preparers should use the guidelines to “Administrative Documentation and Prospectus Overview” (subchapter 1-12) to assemble the administrative documents and prospectus overview.

#### **8. Proposal Preparation Instructions to Offerors**

Preparers should use these guidelines (subchapter 1-6) to prepare the proposal preparation instructions to offerors.

## **9. Compile the Prospectus**

Finally, the preparer should assemble the components of the prospectus, as indicated in “Preparing the Administrative Documentation and Prospectus” (subchapter 1-2). The preparer should send the prospectus and concession contract to the appropriate Reclamation department for legal review before distribution to offerors.

## **10. Issue the Prospectus/Receive Proposals**

The preparer should place announcements in appropriate media and distribute prospectuses to interested parties. Proposals should be received and held for review according to the instructions in the guidelines.

## **11. Compile Instructions for the Review Panel**

The review panel should follow the directions set forth in the guidelines (subchapter 1-7) for evaluation of proposals when conducting the review of proposals and the selection of a concessionaire.

## **12. Contractor Selection**

Once the review panel has selected an offeror to be awarded the concession contract, Reclamation should decide which aspects of the offeror’s proposed Environmental Management Program, Maintenance Plan, Operating Plan, Risk Management Program, and Gift Shop Merchandising Plan to include in the final concession contract. Reclamation may use the entire proposed plans or program, or incorporate aspects into the plan or program previously prepared for the concession contract.

## **13. Concession Contract**

The concession contract is assembled by entering the appropriate franchise fee, facilities improvement program, RAFI, proposed and negotiated or approved Operating and Maintenance Plans, and Risk Management and Environmental Management Programs. The offeror and Reclamation sign the final concession contract.

## **SUBCHAPTER 1-11 – WRITING THE SUMMARY OF THE BUSINESS OPPORTUNITY**

### **A. INTRODUCTION**

This summary is provided as a reference of key points for interested parties. It is simply a summary of the completed business opportunity and should be only one page. It does not modify the prospectus. The complete business opportunity is described in the prospectus.

This document could be used in various ways. It could be sent to interested parties on an initial mailing list to encourage interest and weed out uninterested parties. It could be used as a press release attachment. It may be a useful briefing tool for managers and reviewers. Write it with the planned use in mind. These guidelines include a suggested list of items to include in the Summary of the Business Opportunity and a sample Summary of the Business Opportunity document.

### **B. RELEASING HISTORICAL AND PROJECTED FINANCIAL INFORMATION**

Reclamation must be very careful about releasing historical financial information about the concession operation. FOIA governs such releases. In essence, it forbids the release of proprietary information from a contractor if the agency, after consultation with the contractor, determines that the release of the information would result in competitive harm to the contractor. Therefore, unless Reclamation obtains written agreement from an existing concessionaire to release historical operating information contained in the concessionaire's financial reports to Reclamation, the prospectus should report only historical gross revenues—and only on the condition that the historical franchise fees paid were calculated on the basis of gross revenues.

Franchise fee payments are public information. Therefore, historical gross revenues could not be considered proprietary information if the franchise fee was calculated based on the concession's gross revenues. Moreover, if franchise fees were calculated monthly from monthly gross revenues, historical monthly gross revenues can and should be reported in the prospectus. Obviously, the converse is also true. If franchise fees were not calculated based on gross revenues, historical gross revenues would be considered proprietary information and could not be released without the concessionaire's permission.

On the other hand, financial projections should be presented in the prospectus. These should be obtained directly from the feasibility study for the concession operation. Although it would be reasonable for the reader to infer that the forecasts were based on a review and analysis of the concessionaire's historical financial records, their inclusion would not violate FOIA as long as only the forecasts were presented.

## **C. SUGGESTED LIST FOR INCLUSION IN THE SUMMARY OF THE BUSINESS OPPORTUNITY**

The following is a suggested list for inclusion in the Summary of the Business Opportunity:

- Area Unit Name.
- Nature of business and service(s) to be required.
- Operating location(s).
- Historical annual gross revenues by year or typical year or monthly gross receipts—but only if the franchise fees were calculated monthly from monthly gross revenues (see the comment under “Releasing Historical and Projected Financial Information,” B. above).
- Estimate of asset purchase expense (CIR) for incoming operator.
- Estimate of purchase expense for personal property.
- Length of the new concession contract in years.
- Estimate of capital investment required during new concession contract.
- Name of existing concessionaire, if any.
- Right of preference.
- Franchise fee.
- Other items.

## EXAMPLE - SUMMARY OF BUSINESS OPPORTUNITY

Concession Contract No. \_\_\_\_\_

\_\_\_\_\_  
(Area Name)

**Nature of business and service(s) provided:** This business opportunity is for the continuation of marina facilities and services at \_\_\_\_\_ (name) \_\_\_\_\_. Services required during the boating season, from mid-June through late September, include boat moorage and rental, boat gas and free pump-out service, boat towing service, sale of general merchandise, groceries, and fishing and camping supplies. Rates for services are regulated by the Bureau of Reclamation based on comparison to similar services provided by the private sector.

**Existing Concessionaire:** \_\_\_\_\_ (name) \_\_\_\_\_ .

**Location of Marina:** \_\_\_\_\_ (name) \_\_\_\_\_ is located at \_\_\_\_\_ (physical location) \_\_\_\_\_ .

**Historic annual gross revenues by year:**

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$440,637	\$463,966	\$483,877	\$469,495	\$428,092

**Estimate of fixed asset purchase expense for incoming operator:** \$367,500.

**Estimate of purchase expense of personal property:** Negotiable with existing concessionaire.

**Length of new Concession Contract in years:** 10; beginning January 1, 2002.

**Estimate of capital investment required during new concession contract:** The concessionaire will be required to implement a CFIR and to install sufficient marine fuel storage to meet current Environmental Protection Agency standards, at an estimated cost of \$100,000. The Government will be responsible for removal and disposal of existing underground storage tanks and site cleanup.

This summary is provided as a reference of key points for interested parties. It does not modify the prospectus. The business opportunity is described in the prospectus.

# SUBCHAPTER 1-12 – ADMINISTRATIVE DOCUMENTATION AND PROSPECTUS OVERVIEW

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

\_\_\_\_\_ Region

Proposal to Operate \_\_\_\_\_ Services

Within \_\_\_\_\_ Area of Operation

Date: \_\_\_\_\_

**DUE DATE:** All applications and any modifications must be received at the following address:

Bureau of Reclamation

Regional Office: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

Federal Express Address: \_\_\_\_\_

\_\_\_\_\_

Official Contact Person: \_\_\_\_\_

\_\_\_\_\_  
Telephone: \_\_\_\_\_

No Later Than: (Date) \_\_\_\_\_

By Close Of Business: 4 p.m.

# PROPOSAL FOR CONCESSION OPERATION

To: The Secretary of the Interior

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Dear: \_\_\_\_\_

(I) (We) hereby offer to provide visitor services and facilities at \_\_\_\_\_ **[NOTE TO PREPARER: Insert name of area of operation.]** in accordance with the terms and conditions specified in the concession contract No. \_\_\_\_\_ **[NOTE TO PREPARER: Insert Contract number.]**, provided in the prospectus issued by public notice in the Commerce Business Daily dated \_\_\_\_\_ **[NOTE TO PREPARER: Insert appropriate CBD]**, and to execute the concession contract without substantive modification (except as may be required by the Bureau of Reclamation [Reclamation] pursuant to the terms of the prospectus).

(I) (We) are enclosing the required "PROPOSAL" which, by this reference, is made a part hereof.

(I) (We) certify that the information furnished herewith is true to the best of (my) (our) knowledge and belief.

(I) (We) agree to meet all the minimum requirements of the concession contract, specified in part A of the prospectus, and that (I) (we) have provided all the mandatory information specified in the prospectus.

(I) (We) certify in accordance with 43 CFR Part 12 regarding debarment, suspension, ineligibility, and voluntary exclusion the following:

None of the individuals or entities seeking participation in this concession contract is currently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from a public transaction by a Federal department or agency.

Within the 3 years preceding submission of the proposal, none of the individuals or entities seeking participation in this concession contract has been convicted of or had a civil judgment rendered against him or her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction or for violation of Federal or State antitrust statutes or for commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.



None of the individuals or entities seeking participation in this concession contract is presently indicted for or otherwise criminally or civilly charged by a Federal, State, or local unit of the Government with commission of any of the offenses.

The individuals or entities seeking participation in this concession contract have not had one or more public transactions (Federal, State, or local) terminated for cause or default within the 3-year period preceding the submission of the proposal.

(I) (We), by submitting this proposal hereby agree, if selected for award of the new concession contract:

1. To the minimum requirements of the prospectus as identified in this proposal.
2. To complete the execution of the final concession contract within 30 working days after it is presented by Reclamation.
3. To commence operations under the new concession contract on the effective date of the new concession contract. The effective date of the new concession contract will be after \_\_\_\_\_ **[NOTE TO PREPARER: Insert date]**, and no later than \_\_\_\_\_ **[NOTE TO PREPARER: Insert date]**, as determined by Reclamation.
4. To acquire the CIR of the existing concessionaire under the terms of the existing concession contract.
5. To resolve any dispute regarding the value of CIR of the existing concessionaire in accordance with the new concession contract and in accordance with the latest Reclamation Manual Policy and Directives and Standards.

**[NOTE TO PREPARER: Omit stipulations 6 and 7 (following) if the concessionaire will have no right to CIR under this concession contract.]**

6. To accept the amount paid to purchase the CIR held under the existing concession contract as the initial CIR value under the terms of the new concession contract and in accordance with the latest Reclamation Manual Policy and Directives and Standards.
7. To accept that if the compensation for CIR that is ultimately determined to be due the former concessionaire under the expiring contract differs from the CIR estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as not to affect the net financial impact on the new concessionaire.

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Type or print name and date.

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# CERTIFICATE OF CORPORATE OFFEROR

(offerors who are not corporations should skip this certificate)

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation named as offeror herein; that \_\_\_\_\_, who signed this proposal on behalf of the offeror, was then \_\_\_\_\_ of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

By: \_\_\_\_\_

Date: \_\_\_\_\_  
Type or print name and date.

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## PART A

**The minimum requirements for the new concession contract are identified in part A of the prospectus. Unless the offeror, in its proposal, agrees to all the following minimum requirements, the proposal will be considered nonresponsive.**

(I) (We) agree to comply with all terms and conditions in the concession contract, including, without limitation, all applicable laws, environmental protection and conservation laws, and Reclamation Manual Policy and Directives and Standards.

(I) (We) agree to comply with all the terms and conditions specified in the concession contract, including its exhibits.

(I) (We) agree to charge rates for concession basic goods and services during the term of the concession contract that are comparable to rates charged for similar goods and services at comparable facilities in the region. These rates are subject to approval by Reclamation.

(I) (We) agree to accept the concession facilities and any Government facilities or personal property assigned to the concession as required by the concession contract, “as is.”

**[NOTE TO PREPARER: The following paragraph may be omitted if there is no CFIP.]**

(I) (We) agree to carry out the required Concession Facilities Improvement Program according to the terms of the concession contract, including but not limited to, exhibit H and the specified time frame(s) established by the Secretary, without condition.

(I) (We) agree to make deposits into and manage the RAFI described in the concession contract and in exhibit K as it now exists, including but not limited to, (1) at the start of the concession contract term, depositing into the RAFI an amount at least equal to the unexpended balance remaining in the RAFI at the end of the previous concessionaire’s concession contract and (2) assuming the administrative responsibilities of the account.

(I) (We) agree that if the initial deposit made into the RAFI account by the successful offeror/new concessionaire differs from the RAFI deposit estimated by Reclamation for the purposes of this prospectus (and assumed by the successful offeror/new concessionaire), an adjustment will be made in the franchise fee paid under the new concession contract so as to not affect the net financial impact on the new concessionaire.

(I) (We) agree to implement the proposed Maintenance Plan for this operation, addressing all the elements identified in the concession contract Section 4 – Land and Facilities Used in the Operation, and Exhibit F: Maintenance Plan, without condition.

(I) (We) agree to implement the proposed Operating Plan for this operation, addressing all the elements identified in the concession contract Section 4 – Land and Facilities Used in the Operation, and Exhibit G: Operating Plan, without condition.

(I) (We) agree to develop and implement an effective Risk Management Program (health and safety program) according to the requirements of the concession contract and the information in exhibit M for such programs.

(I) (We) agree to develop and implement an effective EMP according to the requirements of the concession contract in section 3 for such programs.

(I) (We) agree to meet the public liability and property insurance requirements of the concession contract and agree to provide property and liability insurance at least at the types and levels of coverage described in the concession contract Exhibit I: Insurance Requirements.

(I) (We) agree to implement Reclamation annual financial forms and reporting requirements identified in the concession contract Section 8 – Accounting Records and Reports, and Exhibit J: Financial Reporting Forms, without condition and without modification.

(I) (We) agree to implement an equal opportunity program and comply with the terms of the equal opportunity and handicapped access requirements identified in exhibit A of the concession contract.

## PART B

**Offerors must provide the following information for their proposals to (1) qualify for consideration and (2) be evaluated with respect to other qualifying competitive Proposals submitted. A proposal will not qualify for further consideration if it receives an unsatisfactory rating for any one of the following principal factors.**

### PRINCIPAL FACTORS

#### PRINCIPAL FACTOR 1

##### THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES OF PRESERVING AND PROTECTING THE RESOURCES OF THE AREA

###### Criterion B1 (a) Environmental Management Program

Reclamation is committed to the protection of the natural and cultural resources of the area. Submit with your offer, your proposed Environmental Management Program (EMP), addressing the elements identified below. The EMP should demonstrate your understanding of the concession operation, the site location, and any potential or existing environmental issues. The EMP should be tailored for the specific needs of the area of operation and should not be a generic or standardized EMP. For example, your EMP might include specific Best Management Practices that you will apply in your operation (including, the provision of visitor services, accessibility, construction, maintenance, and acquisition) to further the protection, conservation, and preservation of the area and its resources. This EMP, upon approval by Reclamation, will become exhibit O to the concession contract.

**[NOTE TO PREPARER: This section sets forth the requirements for the EMP that the offeror will be responsible for developing. The EMP, once accepted by Reclamation, will become exhibit O of the concession contract. This section addresses many resource protection issues, not all of which may be important or necessary for a particular concession operation. The preparer should omit any requirements that are not applicable to the particular concession operation. Also, the preparer should add any requirements that will be necessary to achieve environmental goals at the concession operation being contracted.]**

1. The EMP shall account for all activities with potential environmental impacts conducted by the concessionaire or to which the concessionaire contributes. The scope and complexity of the EMP may vary according to the type, size, and number of concessionaire activities under this concession contract.
2. The EMP shall include, but not be limited to, the following elements:

- a. **Goals and Targets.**—The EMP shall identify environmental goals established by the concessionaire consistent with all EMP objectives as stated in the concession contract. The EMP shall also identify specific targets (i.e., measurable results and schedules) to achieve these goals. The concessionaire shall conduct an audit to identify environmental impacts resulting from concessionaire activities and develop, as part of the EMP, operating procedures that will reduce those impacts.
- b. **Responsibilities and Accountability.**—The EMP shall identify environmental responsibilities for concessionaire employees and contractors. The EMP shall include procedures for the concessionaire to implement the evaluation of employee and contractor performance of these environmental responsibilities.
- c. **Reporting.**—The EMP shall describe and implement a system for reporting environmental information on a routine and emergency basis, including providing reports to the area manager under the concession contract.
- d. **Documentation.**—The EMP shall identify plans, procedures, manuals, and other documentation maintained by the concessionaire to meet the EMP objectives.
- e. **Documentation Control and Information Management System.**—The EMP shall describe and implement document control and information management systems to maintain knowledge of applicable laws and EMPs. In addition, the EMP shall identify how the concessionaire will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.
- f. **Monitoring, Measurement, and Corrective Action.**—The EMP shall describe how the concessionaire will comply with the EMP and how the concessionaire will self-assess its performance under the EMP, at least annually, in a manner consistent with Reclamation standards. The self-assessment should ensure the concessionaire's conformance with the EMP objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the concessionaire to correct any deficiencies identified by the self-assessment.
- g. **Communication.**—The EMP shall describe how the environmental policy, goals, targets, responsibilities, and procedures will be communicated throughout the concessionaire's organization.
- h. **Training.**—The EMP shall describe the environmental training program for the concessionaire, including identification of staff to be trained, training subjects, frequency of training, and how training will be documented.

**[NOTE TO PREPARER: This section should be included only if an Integrated Pest Management Plan will be required for the concession operation.]**

- i. Integrated Pest Management.—An Integrated Pest Management Plan must be included in the EMP.
3. Other specific issues to be addressed in the elements of the offeror’s EMP (if they have not already been included) are:

**[NOTE TO PREPARER: Select from the list below the appropriate item(s) for the type and size of the concession and omit unnecessary items. Other relevant items may be added at the discretion of the preparer.]**

- Hazardous materials and waste management. (How will you reduce or eliminate the use of hazardous materials in your operations, [e.g., petroleum-based products and paint thinners]?)
- Education of public regarding environmental protection/awareness.
- Solid waste management (including recycling and composting where appropriate).
- Water and energy conservation. (What steps will you take to practice water and energy conservation in daily operations and in the design, construction, and rehabilitation of facilities? How do you propose to recycle antifreeze and motor oil? What other recycling efforts will you use?)
- Fuel storage and delivery systems. (How will you meet all applicable requirements including underground and aboveground storage?)
- Emergency planning and response.
- Pollution prevention and reduction of toxins. (The reduction of pollution and the use of toxic products in the concession area, within the constraints of U.S. Public Health Service codes, is an objective of Reclamation. One method of reducing pollution and the use of toxic products that has been adopted by Reclamation is the use of environmentally preferable cleaning products for custodial, housekeeping, and fleet operations. Most of the products used for these purposes are naturally derived from renewable resources. Products that are toxic, skin irritants, flammable, corrosive, nonbiodegradable, petroleum and hydrocarbons, ozone-depleting, chlorinated compounds, or artificial dyes and fragrances should be avoided.)



- Narrative of commitment to this important objective and your specific plans for reducing or eliminating the use of toxic products.
  - Identify new products intended for use and the products they will replace – provide schedule of replacements – estimate annual volume of new products and discontinued product(s).
- Reduction of emissions from vehicle and other operations that affect air quality.
- Protection of water quality and wastewater treatment.
- Protection of night skies from light pollution.
- Reduction of noise and protection of natural quiet.
- Pest management practices.
- Sustainable design and construction practices.
- Use of native species.
- Environmental mitigation.
- Best Management Practices to be employed to demonstrate responsible stewardship of the environment and use of the best available technology to protect the public's natural resources.
- Use of alternative fuels. (What alternative fuels will be used in your operation?)
- Waste reduction (disposable products). (A large volume of disposable serving products is used in food service operations. How will you eliminate or significantly reduce the use of these products?)
- Procurement practices. (What procurement practices will be used to ensure that additional products will be recycled by operation and by visiting public [green procurement]?)

### **Criterion B1 (b) Meeting Environmental Standards**

Discuss how you intend to manage and implement the environmental management standards of Reclamation. Please include a description of how your experience and qualifications will enable you to address environmental issues that may exist or may arise at the concession operation. If you intend to assign an environmental program manager,

please identify him or her and provide a brief description of his or her qualifications and past experience with regard to managing an environmental program. If you have not already done so in previous sections, please explain how you intend to implement various aspects of the EMP.

## **PRINCIPAL FACTOR 2**

### **THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES OF PROVIDING HIGH QUALITY VISITOR SERVICES**

#### **Criterion B2 (a) Maintenance Plan**

The offeror must accept the proposed Maintenance Plan without condition. The concession contract requires the new concessionaire to maintain the facilities and assigned lands to the satisfaction of the Secretary and in accordance with the Maintenance Plan attached to the concession contract. If you could make changes to the Maintenance Plan that would improve services to the visitors with respect to maintenance, please describe any additions or changes that you would propose to make. You can respond affirmatively to Part A and still respond to this criterion.

#### **Criterion B2 (b) Operating Plan**

If you could make changes to the Operating Plan that would improve services to the visitors with respect to operations, please describe any additions or changes that you would propose to make. You can respond affirmatively to Part A and still respond to this criterion.

#### **Criterion B2 (c) Risk Management Program**

Submit a Risk Management Program tailored to the area of operation that addresses the elements of an effective Risk Management Program (health and safety program), according to the requirements of the concession contract for such a program. In preparing the program, consider the relevance of each of the following:

- Management's policy statement, duties, employees' responsibilities, and administration.
- Inspection and abatement.
- Accident investigation and reporting.
- Safety and health committee.

- Training.
- Emergency procedures.

**[NOTE TO PREPARER: Not all the following criteria are appropriate for all Reclamation concession operations. Select from the list below the appropriate criteria(on) for the particular location and the type and size of the concession, omitting the remainder of the criteria.]**

### **Criterion B2 (d) Required and/or Authorized Services**

Describe your specific plans for providing each of the required and/or authorized services identified in section 2 of the concession contract. Remember that the more complete and well thought out your plans, the better support you give to your answers to the required criteria.

### **Criterion B2 (e) Authorized Services**

Which of the “authorized services” identified in section 2 of the concession contract do you intend to provide? Reclamation encourages, and will give credit in evaluation for, the provision of as many of these authorized services as possible.

### **Criterion B2 (f) Area Resources Training**

How will you train your employees to interpret and provide information to visitors about area resources and the purpose and significance of the area of operation, surrounding areas, and Reclamation?

### **Criterion B2 (g) Thematic Merchandising**

***[NOTE TO PREPARER: This section should be omitted if Reclamation does not wish to make it part of the Concession Contract. See subchapter 1-3, Preparing the Appendix to the Prospectus]***

Reclamation wishes to provide high-quality gift and souvenir operations, focusing on area-related themes. Merchandise should enhance appreciation and understanding of the area of operation and Reclamation, the significance of the natural world and the environment, and set a model of environmental responsibility. The offeror is required to develop a Gift Shop Merchandising Plan that will become a part of the concession contract. This plan shall ensure that gift merchandise to be sold or provided reflects the significance of the location, including conservation of resources, geology, wildlife, plant life, archeology, local Native American culture, local ethnic culture, and historic significance.

Submit a Gift Shop Merchandising Plan showing your plans for achieving this goal. How will you approach developing the store theme and decor as well as the necessary policies and sources of merchandise to successfully effect this continual change? Include specifically how you will acquire and present merchandise that reflects the purpose and significance of the park.

Provide ideas or sample products or descriptions of interpretive methods, media, and material you propose to provide.

The Gift Shop Merchandising Plan should address the following objectives and requirements:

1. The images of the Reclamation area and the gift shops are intertwined; the shops, in terms of both merchandise and personnel, are a front line of Reclamation's interaction with its visitors and should exemplify quality and professionalism. The concessionaire will continue training retail personnel to be aware of the sources (when important), quality, and authenticity (when appropriate) of merchandise items.
2. To the greatest extent possible, gift and souvenir items will have an identifiable relationship to **[NOTE TO PREPARER: Insert area name.]**, the environs, the natural and cultural history, or other related topics. Suggested themes are:

**[NOTE TO PREPARER: The following section should be tailored to suit the area of operation of the concession. The preparer should omit or amend any of the following categories. The preparer should add any categories or descriptions applicable to the concession operation.]**

- |                                  |   |
|----------------------------------|---|
| <b>Scenery</b>                   | <ul style="list-style-type: none"><li>■ Domes, cliffs, meadows, forests, rivers, and waterfalls seen in or from <b>(Reclamation area name)</b>.</li><li>■ Mountain peaks, ridges, canyons, lakes, streams, meadows, forests, and giant sequoia groves.</li><li>■ Skies.</li></ul> |
| <b>Geology</b>                   | <ul style="list-style-type: none"><li>■ Geologic history.</li><li>■ Mineral and rock samples.</li></ul>   |
| <b>Life Communities</b>          | <ul style="list-style-type: none"><li>■ Balance and interdependence of life forms.</li><li>■ Area flowers, trees, etc.</li><li>■ Area animals, birds, fisheries.</li></ul>  |
| <b>Settlement of (area name)</b> | <ul style="list-style-type: none"><li>■ Native Americans in <b>(Reclamation area name)</b>.</li><li>■ European Americans in <b>(Reclamation area name)</b>.</li><li>■ Establishment of the Reclamation area; role of concessionaires.</li></ul>                                   |

<b>Reclamation Area Experience</b>	<ul style="list-style-type: none"> <li>■ Enjoying the special attributes of <b>(Reclamation area name)</b>.</li> <li>■ Activities in <b>(Reclamation area name)</b>.</li> <li>■ “How-to-do” materials that relate to Reclamation area activities.</li> <li>■ Reclamation area informational materials.</li> </ul>
<b>Wilderness</b>	<ul style="list-style-type: none"> <li>■ The concept of wilderness.</li> <li>■ History of the wilderness idea, its implementation nationwide, and at <b>(Reclamation area name)</b>.</li> <li>■ Human uses of wilderness (human values, scientific values, forms of exploitation, and the consequences of exploitation).</li> <li>■ Wilderness appreciation.</li> </ul>
<b>Environmental Topics</b>	<ul style="list-style-type: none"> <li>■ General topics and issues of importance to all areas, (e.g., air quality, water quality, and waste disposal).</li> <li>■ Relationship between areas and their environs, role of areas as indicators of this relationship.</li> <li>■ Environmental ethics.</li> </ul>

3. Themes and categories will be identified by Reclamation’s staff and the concessionaire’s staff to guide in the implementation of objective 1. Gifts and souvenir items that do not relate to any of the above-identified themes will be phased out of the inventory.
4. Sales items with area interpretive and environmental or cultural educational value will be provided prominent display space.
5. Handcraft items representing area and regional themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.
6. When possible and appropriate, informational tags will be attached to sales items in an interpretive or educational effort to illustrate the relationship of the item to one or more of the specific themes.
7. Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity to purchase both expensive and inexpensive items. When appropriate, fine art may be included within the concessionaire’s sales inventory.
8. The concessionaire has the responsibility to select specific merchandise that complies with this Merchandising Plan and the general Reclamation merchandising guidelines. Reclamation recognizes that purchasing and merchandising new inventory will be phased, and that items that do not sell, regardless of how well they support area themes, need not be offered for sale or reordered.

9. The above objectives are for gift and souvenir sales items. It is recognized that the concessionaire may also sell groceries, camping equipment, supplies, activity items, clothing, sundries, and other general merchandise necessary and appropriate to meet the needs of visitors.

### **PRINCIPAL FACTOR 3**

#### **THE EXPERIENCE AND RELATED BACKGROUND OF THE OFFEROR, INCLUDING THE PAST PERFORMANCE AND MANAGEMENT EXPERTISE OF THE OFFEROR RELEVANT TO PROVIDING THE SAME OR SIMILAR VISITOR SERVICES AS THOSE SPECIFIED IN THE CONCESSION CONTRACT**

Using the following format and instructions, clearly identify the business organization and all key individuals that will be involved in management of the proposed concession operation. Include any additional information that you feel necessary to make the relationships clear. Each of the following components should be addressed to present the information requested in this section.

**[NOTE TO THE OFFEROR: No subcontractors are permitted. The selected offeror will be entirely and exclusively responsible for providing all concession services and operating all concession facilities. Once the successful offeror has entered into a concession contract with Reclamation, it will not be permitted to sell the concession contract to another entity without Reclamation approval. No successor will be approved unless it meets all of the qualifications described in this prospectus.]**

#### **Criterion B3 (a) Business Structure**

Identify the legal structure of the offeror's organization. Indicate how long this business organization has been in existence or whether it will be organized specifically to operate the concession.

Enter the following information for your business organization:

1. Name: \_\_\_\_\_
2. Present address: \_\_\_\_\_  
\_\_\_\_\_
3. Contact person: \_\_\_\_\_
4. Present telephone number: \_\_\_\_\_
5. FAX number: \_\_\_\_\_
6. Website and 3-mail address: \_\_\_\_\_

7. Form of business: Corporation Partnership Individual  
 Sole proprietorship Other (explain): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8. Ownership:

Names and Addresses of Owners (Corp: Show Controlling Interest; Close Corp: Show All)	Number and Type of Shares or Percentage of Ownership	Total Current Value of Investment
TOTAL OF ALL OWNERS		
TOTAL SHARES OUTSTANDING		

9. If a corporation, list the names, addresses, and titles of corporate officers and the names and affiliations of the members of the Board of Directors:

Name	Address	Title

10. State of incorporation: \_\_\_\_\_

11. The following attachments must be provided as applicable for each subject of the form. For offerors and concessionaires who are corporations:

- a. Articles of Incorporation.
- b. Bylaws.
- c. Certificate from the State of incorporation indicating that the corporation is in "good standing."

12. For offerors and concessionaires who are partnerships:

- a. Partnership agreements or joint venture agreements.

13. If the entity that is to be the concessionaire is not formally in existence as of the time of submission of the Proposal, demonstrate that the individual(s) or

organization(s) that intend(s) to establish the entity that will become the concessionaire has (have) the ability and is (are) legally obligated to create and participate in managing the entity.

14. Has the offeror (or have the principals) ever defaulted or been issued a notice of default or been terminated from a management or concession contract or been forbidden from contracting by a public agency or private company? If the answer is yes, provide full details of the circumstances.

YES  No

15. Describe any filings for bankruptcy, fines, or penalties levied by Government agencies, including but not limited to, any and all legal proceedings against the offeror (or its principal's) that are related to the offeror's (or its principals) past performance in providing facilities and services similar to those described in the prospectus. Include the date of those occurrences and all related information.
16. The entity that will operate the concession services must provide a clear, complete, and understandable **internal organizational chart**. In addition, an **external organizational chart** must show the relationship between the entity that will operate the concession service and any superior organization(s), all subsidiaries or affiliates and any parent organization with management, financial, or legal relationships to that entity. Show the lines of authority between individuals within all the business organization(s) in full. Within both organization charts, show the names of individuals, as well as titles, not merely titles. Include resumes for those individuals, indicating their relevant experience.

### **Criterion B3 (b) Management Capability**

Reclamation is seeking a business organization that has experience in managing the required and authorized services as described in section 2 of the concession contract. Describe the ownership, management, legal, and financial relationship and structure of the business organization(s) that would provide the concession services. Clearly identify any related subsidiaries, affiliates, parent, or superior business organizations that will have a substantial role in managing, directing, operating, or otherwise carrying out the services to be provided. If the business organization is to be created, describe any performance guarantees that will be provided.

Demonstrate the offeror's competence to manage and operate the specific types of business activities required. Respond to the following:

1. Identify and describe specific examples of previous and current business operations conducted by the offeror that demonstrate any current or previous relevant experience.



- a. Which key individuals proposed for active management in this concession operation were involved in those previous or current operations? Indicate dates.
  - b. Include the names and telephone numbers of references able to testify to your organizations' and key individuals' performance in those previous or current operations.
  - c. Describe involvement in any Federal concession operation.
2. Identify all individuals who will provide key management or other functions in the concession operations. Provide detailed resumes for each.
- a. Identify the specific role the individual is to play and describe that person's qualifications to play that role.
  - b. Include the names and telephone numbers of references able to testify to the performance of the key individuals in those previous or current operations.
  - c. When discussing individuals' work experience, be specific about:
    - Size of operation.
    - Dates of engagement.
    - Location of operation.
    - Specific duties.
    - Number of people supervised.
  - d. Describe the individuals':
    - Training.
    - Education.
    - Qualifications, courses, designations, ratings, and licenses obtained.

**[NOTE TO PREPARER: Not all of the criteria below are applicable to all types and sizes of concession operations. The preparer should include only those items that are applicable, omitting the remainder.]**

3. Provide an **organizational chart for on-site employees** that shows the lines of authority between departments or functional areas and managers.
- a. Include all key managerial and on-site managerial positions (planning, legal, finance, administration, operations, maintenance, etc.). Provide names and resumes of individuals, as described above. If the specific responsible individuals have not yet been identified, identify positions and duties to be performed.

- b. Describe the decisionmaking authority to be delegated to the on-site manager(s) and retained in a central headquarters (if any). Who will be the local management decisionmaker? With whom will Reclamation deal regarding day-to-day operations and issues?
4. Describe key aspects of your management structure and system.
    - a. Indicate the number of employees in each department and provide summary descriptions of basic functions where the basic functions are not obvious by title. In addition, provide a description of any training programs to be used to ensure core competency and provide opportunities for advancement of employees.
    - b. Provide proposed wage levels and estimated hours per week for each position or group of positions.
    - c. What standards or procedures will you apply to the pre-screening, training, termination, and hiring of personnel? (Describe application procedures, drug testing, law enforcement clearances, reference checks, interview requirements, etc.)
    - d. Describe how you intend to initiate and maintain a drug-free environment and eliminate substance abuse in your work force. What will you do to identify individuals who abuse drugs or alcohol? How will you initiate a drug abuse and alcohol abuse educational program? What type of referral-for-treatment program will you provide? What type of commitment do you or will you propose to help those who need assistance?
    - e. How will you train your employees and set standards and training to achieve those standards, including ensuring that your employees will be hospitable and exercise courtesy and consideration in their relations with the public?
    - f. How will you achieve a constant standard level of knowledge among the staff about the area (for example, Lake Berryessa) and its rules, regulations, and special programs?
    - g. If the concession, or parts of it, will be making a significant phase-up in operations after a period of closure or near closure, such as winter shutdown, describe the training program that will prepare the staff for reopening the business.

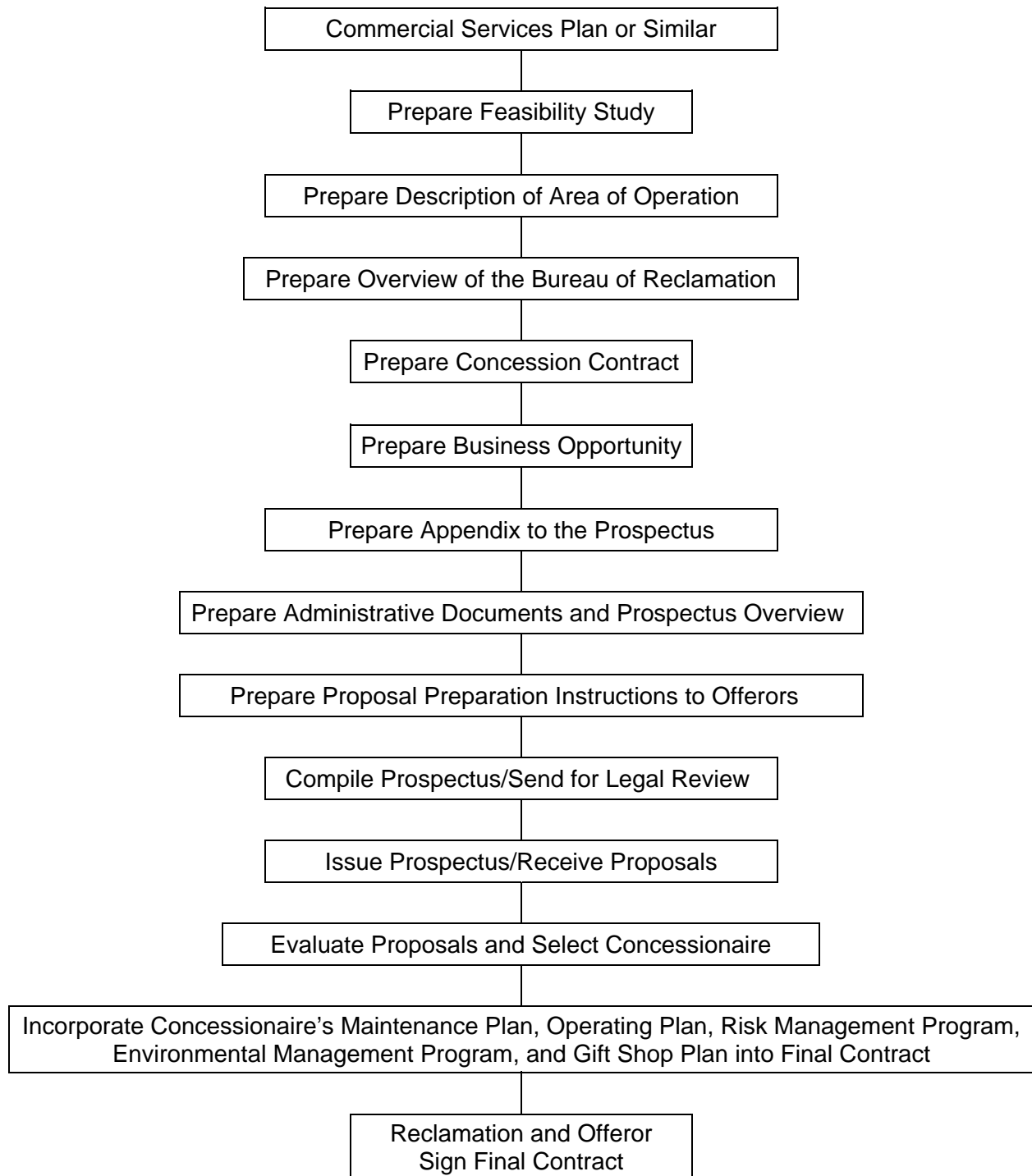
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Description of the Area of Operation	Description of the Area of Operation	Description of the Area of Operation		
Business Opportunity	Business Opportunity	Business Opportunity		
Preparing the Draft Concession Contract	Concession Contract	Concession Contract	→	Final Concession Contract
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	Exhibit B: Area of Operation and Assigned Lands	Exhibit B: Area of Operation and Assigned Lands	→	Exhibit B: Area of Operation and Assigned Lands
	Exhibit C: Capital Investment Recovery	Exhibit C: Capital Investment Recovery	→	Exhibit C: Capital Investment Recovery
	Exhibit D: Authorized Reclamation and Concessionaire Improvements	Exhibit D: Authorized Reclamation and Concessionaire Improvements	→	Exhibit D: Authorized Reclamation and Concessionaire Improvements
	Exhibit E: Assigned Government Property and Livestock	Exhibit E: Assigned Government Property and Livestock	→	Exhibit E: Assigned Government Property and Livestock
	Exhibit F: Maintenance Plan	Exhibit H: Maintenance Plan	Maintenance Plan	Exhibit H: Maintenance Plan
	Exhibit G: Operating Plan	Exhibit G: Operating Plan	Operating Plan	Exhibit G: Operating Plan
	Exhibit H: Improvement Project Procedures	Exhibit H: Improvement Project Procedures	→	Exhibit H: Improvement Project Procedures
	Exhibit I: Insurance Requirements	Exhibit I: Insurance Requirements	→	Exhibit I: Insurance Requirements

## Subchapter 1-13 – Appendix A - Concession Prospectus and Contracting Checklist—continued

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	Exhibit K: Reserve Account for Facilities Improvement	Exhibit K: Reserve Account for Facilities Improvement	→	Exhibit K: Reserve Account for Facilities Improvement
	Exhibit L: Reclamation Manual and Directives and Standards	Exhibit L: Reclamation Manual and Directives and Standards	→	Exhibit L: Reclamation Manual and Directives and Standards
	Exhibit M: Risk Management	Exhibit M: Risk Management	Risk Management	Exhibit M: Risk Management
	Exhibit N: Gift Shop Merchandising Plan	Exhibit N: Gift Shop Merchandising Plan	Gift Shop Merchandising Plan	Exhibit N: Gift Shop Merchandising Plan
	Exhibit O: Environmental Management Plan	Exhibit O: Environmental Management Plan	Environmental Management Plan	Exhibit O: Environmental Management Plan
Appendix to Prospectus	Appendix to Prospectus	Appendix to Prospectus		
Evaluation of Proposals				

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# CHAPTER 2 – CONCESSION CONTRACT TEMPLATE

## United States Department of the Interior Bureau of Reclamation

### CONCESSION CONTRACT

---

*(Description of Services Types)*

**at**

---

*(Area Unit Name)*

---

*(Name of Concessionaire)*

**Reclamation's Concession Contract No.** \_\_\_\_\_

---

---

---

---

*(Address, including E-mail address and phone number)*

**Doing Business As:** \_\_\_\_\_

**Covering the Period** \_\_\_\_\_ **through** \_\_\_\_\_

## SUBCHAPTER 2-1 – CONCESSION CONTRACT

### IDENTIFICATION OF THE PARTIES

[NOTE TO PREPARER: Use the appropriate designation: corporation, partnership, or sole proprietorship, as applies, and remove the other two.]

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***(Corporation)***

THIS concession contract is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior (Secretary), through the regional director of the Bureau of Reclamation, hereinafter “Reclamation,” of the \_\_\_\_\_ Region, hereinafter referred to as the “Secretary,” and the \_\_\_\_\_, a corporation organized and existing under the laws of the State of \_\_\_\_\_, doing business as \_\_\_\_\_, hereinafter referred to as the “concessionaire.”

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***(Partnership)***

THIS concession contract is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the regional director of the Bureau of Reclamation, hereinafter “Reclamation,” of the \_\_\_\_\_ Region, hereinafter referred to as the “Secretary,”<sup>1</sup> and \_\_\_\_\_ of \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, partners doing business as \_\_\_\_\_, pursuant to a partnership agreement dated \_\_\_\_\_, a partnership organized under the laws of the State of \_\_\_\_\_, hereinafter referred to as the “concessionaire.”

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***(Sole Proprietorship)***

THIS concession contract is made and entered into by and between the United States of America, acting in this matter by the Secretary of the Interior, through the regional director of the Bureau of Reclamation, hereinafter “Reclamation,” of the \_\_\_\_\_ Region, hereinafter referred to as the “Secretary,” and \_\_\_\_\_, an individual of \_\_\_\_\_, doing business as \_\_\_\_\_, hereinafter referred to as the “concessionaire.”

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<sup>1</sup> See “Secretary” in Definitions section following Witnesseth section.

## WITNESSETH

**THAT WHEREAS,** \_\_\_\_\_, [NOTE TO PREPARER: Insert name of Reclamation area.] hereinafter referred to as the “area of operation” is administered by the Secretary as a unit of the Bureau of Reclamation (Reclamation).

**WHEREAS,** to accomplish these purposes, the Secretary has determined that certain facilities and services are necessary and appropriate for the public use and enjoyment of the area of operation, as determined from established planning criteria, and shall be provided for the public visiting the area of operation; and

**WHEREAS,** the Secretary has exercised authority, allowing a reasonable opportunity by the concessionaire to realize a profit on the operations conducted as a whole, commensurate with the capital invested and the obligations assumed; and

**WHEREAS,** these purposes will not be inconsistent with the requirements of the project and will not interfere with the operation and responsibility of any and all entities associated with the project and identified by the Secretary; and

**WHEREAS,** the Secretary desires the concessionaire to establish and operate these visitor services at reasonable rates under the supervision and regulation of the Secretary; and

**WHEREAS,** the Secretary desires the concessionaire to conduct these visitor services in a manner that demonstrates sound environmental management, stewardship, and leadership;

**NOW, THEREFORE,** pursuant to the authority contained in the Reclamation Act of 1902, as amended and supplemented; the Reclamation Project Act of 1939; the Federal Water Project Reclamation Act of 1965, as amended; and other laws that supplement and amend the acts, including Reclamation’s Concession Management Policy, Directives and Standards, and Guidelines, the Secretary and the concessionaire agree as follows:



## DEFINITIONS

The following terms used in this concession contract and the exhibits to this concession contract will be defined, for the purposes of this concession contract and exhibits, as set forth below. Definitions apply to both the singular and the plural forms of the defined terms. As regards this contract and associated exhibits, these definitions supersede any others found elsewhere:

**Actual cash value** – The cost of repairing or restoring the damaged property or replacing it with property of like kind and quality in the same physical condition. A commonly used formula is replacement cost less depreciation.

**Additional insured** – A person or organization, other than the named insured, who is protected by the terms of the insurance policy.

**Agreed amount or agreed value** – A provision in an insurance policy whereby the policyholder agrees to carry a specified amount of insurance under penalty of being a coinsurer for the deficit, used in lieu of coinsurance in certain policies.

**Aggregate limits** – Under a liability in an insurance policy, the maximum dollar amount the insurance company will pay during the policy year regardless of the number of occurrences. (See General aggregate limits.)

**All risks** – An insurance policy that covers losses caused by any peril that is not excluded, as opposed to “named peril” policies that protect only against certain perils named in the policy.

**Annual Improvement Management Plan** – A written document presenting a management plan for all real property improvements, including construction, repair, and maintenance projects to be undertaken by the concessionaire during the following calendar year after the final submittal date.

**Applicable laws** – The laws of the Congress governing the area of operation, including, but not limited to, the rules, regulations, requirements, and policies promulgated under those laws, whether now in force, or amended, enacted or promulgated in the future, including, but not limited to, Federal, State, and local laws, rules, regulations, codes, requirements, and policies governing nondiscrimination, protection of the environment, protection of public health and safety, zoning laws and ordinances, securities and exchange laws, and tax laws.

**Approved project documents** – Project drawings and specifications approved by the area manager and use by the concessionaire to direct a contractor in the type, size, and quality of projects.

**Arbitration** – All arbitration proceedings conducted under the authority of this concession contract will use the following procedures unless otherwise agreed by the concessionaire and the Secretary. One member of the arbitration panel will be selected by the concessionaire, one member will be selected by the Secretary, and the third (neutral) panel member will be selected by the two party-appointed members. The expenses of the neutral arbiter and other associated common costs of the arbitration will be borne equally by the concessionaire and the Secretary. The arbitration panel will adopt procedures that treat each party equally, give each party the opportunity to be heard, and give each party a fair opportunity to present its case. Determinations must be made by a majority of the members of the panel and will be nonbinding on the concessionaire and the Secretary. If either party disagrees with the arbiter’s recommendation, he or she may file an appeal with the Secretary under 43 Code of Federal Regulations (CFR), Part 4, Subpart G. However, the final, binding, and nonchallengeable determination shall be made by the Secretary.

**Area manager** – The manager of the area of operation or the duly appointed Bureau of Reclamation official.

**Area of operation or area** – Each contract will authorize and define only the physical area necessary to conduct the business activities allowed by the contract. The contract must include a legal description and a detailed map. Concession boundaries will be surveyed by Reclamation and must be easy to recognize by the visiting public. **[NOTE TO PREPARER: Complete the definition by adding the name of the area.]**

**Best Management Practices** – Policies and practices that apply the most current and advanced means and technologies available to the concessionaire to undertake and maintain a superior level of environmental performance reasonable in light of the circumstances of the operations conducted under this concession contract. Best Management Practices are expected to change from time to time as technology evolves.

**Blanket basis** – This refers to a property insurance policy that extends over more than one unit or one type of property in one location. A single blanket basis policy can cover two or more types of property in one location, one type of property in two or more locations, or two or more types of property in two or more locations.

**Builders’ risk** – Indemnifies an insured for loss or damage to a building under construction. Insurance applies only during construction; a permanent policy must be written upon completion, at which time the builders’ risk policy is canceled pro rata.

**Business interruption** – A form of indirect damage coverage under property insurance policies that protects against loss of income. Under some types of policies, such as boiler and machinery, the coverage is called “Use and Occupancy.” Business Interruption insurance is consequential loss coverage; that is, the loss results from or is a consequence of a direct loss.

**Capital improvement** – Defined as a structure, fixture, or nonremovable equipment provided by the concessionaire pursuant to the terms of this concession contract and located on lands of the United States within the area. A capital improvement does not include any interest in land. Additionally, a capital improvement does not include any interest in personal property of any kind including, but not limited to, vehicles, boats, barges, trailers, or other objects, regardless of size, unless an item of personal property becomes a fixture as defined in concession contract. A capital improvement is considered to be a real property improvement for the purposes of this concession contract.

**Capital investment recovery (CIR)** – Shall have the meaning set forth in this concession contract and in exhibit C, subchapter 2-4.

**Capital investment recovery value** – Shall have the meaning set forth in this concession contract and in exhibit C.

**Change order** – A written agreement between the construction supervisor and the contractor or consultant that changes the concession construction or improvement contract documents or scope of project work as agreed upon contractually.

**Construction cost** – Construction cost means the total of the incurred eligible direct and indirect costs necessary for constructing or installing the capital improvements that are capitalized by the concessionaire in accordance with generally accepted accounting principles (GAAP).

**Construction supervisor** – A concessionaire employee designated to administer and coordinate projects, ensuring the quality of work and compliance with project design specifications.

**Consumer Price Index (CPI)** – The national “Consumer Price Index for All Urban Consumers” published by the U.S. Department of Labor, Bureau of Labor Statistics. If this index ceases to be published, the Secretary will designate another regularly published cost-of-living index approximating the national CPI.

**Contact person** – A concessionaire employee designated as the person to contact regarding a specific matter, concern, or issue.

**Cooperating association** – A nonprofit organization with a Federal 501 (c) tax-exempt entity status incorporated within the State in which it operates and governed by a volunteer board of directors. Cooperating associations assist in enhancing interpretive programs, providing visitor information, funding research, and supporting various resource themes.

**Day or days** – Shall mean calendar days.

**Deductible plan** – A plan designed to have the insurance policyholder participate in the loss. The amount that the insured must pay is indicated in the policy. The insurance company usually pays the entire claim and presents a bill to the insured for the deductible amount.

**Depreciation** – The allocation of the cost of an asset over time for accounting or tax purposes to account for the decline in the value of an asset due to wear and tear or obsolescence. The method for calculating depreciation may conform to generally accepted accounting principles (GAAP) or the Internal Revenue Service (IRS) requirements, whichever is appropriate to the application.

**Direct damage** – The actual physical damage or destruction of the insured property from fire or other insured peril. Direct damage extends to include damage when the insured peril is the proximate cause of the loss. For the proximate cause rule to apply, there must be no intervening new and independent cause of damage between the fire and the loss. Direct damage differs from consequential loss, which stems only indirectly from a fire or other disaster.

**Disputes** – Disputes between the Bureau of Reclamation and the concessionaire are to be resolved through informal negotiations and discussions. In the event that such disputes fail to reach resolution, either party may request a formal, nonbinding arbitration process conducted by an arbitration panel. Concession contracts are not “contracts” within the meaning of the Contract Dispute Act because concession contracts authorize concessionaires to provide services to area visitors.

**Eligible direct cost** – The sum of all incurred costs (in amounts no higher than those prevailing in the locality of the project), that are necessary for the construction of a capital improvement and are typically elements of a construction contract. Eligible direct costs may include, but are not limited to, the costs of (in amounts no higher than those prevailing in the locality of the project) building permits; materials, products, and equipment used in construction; labor used in construction; security during construction; a contractor’s shack and temporary fencing; material storage facilities; power line installation and utility costs during construction; performance bonds; and a contractor’s (and a subcontractor’s) profit and overhead (including job supervision; worker’s compensation insurance; and fire, liability, and unemployment insurance).

**Eligible indirect cost** – Except as provided in the last sentence of this definition, the sum of all other incurred costs (in amounts no higher than those prevailing in the locality of the project) necessary for the construction of a capital improvement. Eligible indirect costs may include, but are not limited to, the costs of (in amounts no higher than those prevailing in the locality of the project) architectural and engineering fees for plans and plan checks; surveys to establish building lines and grades; environmental studies; the points, fees, or service charges and interest on construction loans (if the project is financed); and all risk insurance expenses and ad valorem taxes during construction. The actual administrative expenses (in amounts no higher than those prevailing in the locality of the project) are eligible indirect costs. Other administrative expenses of the concessionaire are not eligible indirect costs.

**Excess liability policy** – Provides coverage in an amount above a specific primary liability insurance policy. It follows the identical form of the basic policy, including all exclusions.

**Exhibit or exhibits** – Shall mean the various exhibits that are attached to this concession contract, each of which is hereby made a part of this concession contract.

**Federal estate** – Is the Federal land and water areas under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.

**Fixed assets** – Any structures, fixtures, or capital improvements permanently attached to the Federal estate.

**Fixtures and nonremovable equipment** – Manufactured items of property of an independent form and utility, necessary for the basic functioning of a structure, that are affixed to and considered to be part of the structure such that title is with the Secretary as real property once installed. Fixtures and nonremovable equipment do not include building materials (e.g., wallboards, flooring, concrete, cinder blocks, steel beams, studs, window frames, windows, rafters, roofing, framing, siding, lumber, insulation, wallpaper, and paint). Because of their special circumstances, floating docks (but not other types of floating property) that may be constructed by the concessionaire pursuant to the terms of this concession contract are considered to be nonremovable equipment for CIR purposes only. Except as otherwise indicated in exhibit C (subchapter 2-4), the term “fixture” includes the term “nonremovable equipment.”

**Franchise fee** – A franchise fee is a payment to the Government that is considered a direct return to the Government upon consideration of the probable value to the concessionaire of the use, rights, and privileges granted by this concession contract. Such probable value shall be based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of this concession contract.

**General aggregate limits** – The maximum amount the insurance policy will pay for the sum of damages for medical expenses, bodily injury, and property damage arising out of all claims other than product/completed operations.

**Gross receipts** – The total amount received or realized by, or accruing to, the concessionaire from all sales for cash or credit, of services, accommodations, materials, and other merchandise made pursuant to the rights granted by this concession contract, commissions earned on contracts or agreements with other persons or companies operating in the area, and gross receipts earned from electronic media sales, but excluding:

- Intracompany earnings on account of charges to other departments of the operation (such as laundry).
- Charges for employees’ meals, lodging, and transportation.
- Cash discounts on purchases.
- Cash discounts on sales.

- Interest on money loaned or in bank accounts.
- Income from investments.
- Income from subsidiary companies outside the area.
- Sale of property other than that purchased in the regular course of business for the purpose of resale.
- Sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postage stamps, provided that the amount excluded shall not exceed the amount actually due or paid Government agencies.

All monies paid into coin-operated devices, except telephones, whether provided by the concessionaire or by others, shall be included in gross receipts. However, only revenues actually received by the concessionaire from coin-operated telephones shall be included in gross receipts. All revenues received from charges for in-room telephone or computer access shall be included in gross receipts.

**Immediate or immediately** – To occur at once and as soon as possible, unless otherwise specified in this concession contract.

**Imminent danger** – Defined as a condition or practice with potential for loss of life or body part, permanent disability, and/or extensive loss of structure, equipment, or material.

**Improvements** – An addition to real property that increases its value or utility or that enhances its appearance.

**Licensed contractor** – An entity performing construction certified or licensed by the State to perform construction services within that State.

**Loss payable clause** – A condition of an insurance policy whereby the company is directed by the insured to pay to some other person designated in the policy any loss that may be due (usually a mortgage).

**Nonserious hazard** – Defined as a condition or practice with potential for minor nondisability injury or illness or nondisruptive property damage. An example is a minor tripping hazard.

**Open peril** – Property insurance that applies to risks of loss on a general basis, in contrast with policies that provide coverage for specifically identified perils.

**Project coordinator** – A concession employee vested with the authority to direct consultants and contractors in the expenditure of the reserve account for facilities improvement (RAFI) funds.

**Project statement** – An agreement between Reclamation and the concessionaire approved by the area manager that authorizes the development and implementation of individual projects identified in an Annual Improvement Management Plan as set forth in exhibit H of this concession contract.

**Property replacement value** – Reclamation-approved value for replacement cost of property.

**Real property improvements** – Real property other than land, including, but not limited to, capital improvements.

**Reclamation improvements** – Shall have the meaning set forth in section 4 of this concession contract.

**Registered technical professionals** – Architects, engineers, or any subject area expert either certified or licensed by the State to perform specialized services or certified by a widely recognized industry regulator held responsible for quality and standard application of technical subject matter.

**Related capital improvement or related fixture** – A capital improvement in which the concessionaire has a CIR.

**Replacement cost** – The estimated cost to reconstruct, at current prices, an existing structure with utilities equivalent to the existing structure, using modern materials and current standards, design, and layout.

**Replacement cost insurance** – Insurance that pays the cost to restore or replace the damaged or destroyed property without deduction for depreciation. However, for the insured to collect on this basis, he/she is usually required to actually repair or replace the damaged or destroyed structure.

**Secretary** – A Federal employee, acting on behalf of the Secretary of the Interior and the United States, and the Secretary's duly authorized representatives.

**Self-assumption** – Refers to the assumption of risk of damage by having a definite funding plan for meeting losses.

**Serious hazard** – A condition or practice with potential for serious injury or illness resulting in temporary disability or property damage that is disruptive but less severe than imminent danger. An example is an open trench in front of a public area.

**Structure** – A building, dock, or similar edifice affixed to the land so as to be part of the real estate. A structure may include both constructed infrastructure (e.g., water, power, and sewer lines) and constructed site improvements (e.g., paved roads, retaining walls, sidewalks, paved driveways, and paved parking areas) that are permanently affixed to the land so as to be part of the real estate and that are in direct support of the use of a building, dock, or similar edifice. Landscaping that is integral to the construction of a structure is considered as part of a structure. Interior furnishings that are not fixtures are not part of a structure.

**Substantial completion of a capital improvement or substantial completion** – The condition of a capital improvement construction project when the project is substantially complete and ready for use and/or occupancy as set forth in exhibit H of this concession contract.

**Straight-line depreciation** – The method for calculating the depreciation of an asset, which assumes the asset will lose an equal amount of value each year over the economic life of the asset. For the purpose of calculating CIR, the assumed economic life of the asset shall equal the economic life for the asset type stipulated by the IRS for the purposes of tax calculation using the straight-line depreciation method.

**Surplus line** – Commonly used to describe any risk or part thereof for which there was no market available to the original broker or agent. Surplus line companies, sometimes called non-admitted companies, will, however, be regulated to some degree by the laws of the State they operate in. Often, their policies are not supported by the State guarantee fund available to “admitted” companies.

**Total project cost** – The total of all actual project expenditures (invoiced and paid) for completion of a project.

**Project price** – The total of all estimated project expenditures for completion of a project.

**Umbrella liability insurance** – A form of liability insurance protecting policyholders from claims in excess of the limits of their primary automobile liability, general liability, and employer’s liability policies and from many claims not covered by the primary policies. This is catastrophic insurance and requires a complete program of underlying insurance.

**Wastewater** – Any liquid waste, whether treated or not, and whether animal, mineral, vegetable, including agricultural, industrial, and thermal wastes.

**Vacancy** – The absence of both people and furnishings or contents of a building.

**Visitor services** – The accommodations, facilities, and services that this concession contract requires or authorizes the concessionaire to provide.



# SECTION 1 – TERM OF CONCESSION CONTRACT

## A. TERMS OF CONCESSION CONTRACT

**[NOTE TO PREPARER: Use the following wording if the concessionaire IS required by the contract to complete a Concessions Facility Improvement Program.]**This concession contract No. \_\_\_\_\_, herein and hereafter referred to as the “concession contract,” shall be effective as of \_\_\_\_\_ 20\_\_\_\_, and shall be for the term of \_\_\_\_ years until its expiration on \_\_\_\_\_, 20 \_\_\_\_ pending the concessionaires satisfactory completion of the Concessions Facilities Improvement Program (CFIP) described in section 4G (subchapter 2-1) of this concession contract. However if the concessionaire fails to complete this CFIP program to the satisfaction of Reclamation within the time specified, this concession contract shall be for the alternate term of \_\_\_\_ years until the expiration on \_\_\_\_\_, 20\_\_\_\_, hereinafter referred to as the “alternate term.” Reclamation may extend this shortened, alternate term (but not beyond the original date of expiration of this concession contract) in circumstances where Reclamation determines that the delay resulted from events beyond the control of the concessionaire.

**[NOTE TO PREPARER: Use the following wording if the concessionaire is NOT required by the contract to complete a Concessions Facility Improvement Program.]**This concession contract No. \_\_\_\_\_, herein and hereafter referred to as the “concession contract,” shall be effective as of \_\_\_\_\_ 20\_\_\_\_, and shall be for the term of \_\_\_\_ years until its expiration on \_\_\_\_\_, 20 \_\_\_\_.

**[NOTE TO PREPARER: Complete the blanks above with the contract number and appropriate dates.]**

## B. CONCESSION CONTRACT TERMINATION

The Secretary may terminate this concession contract at any time, in whole or in part, to protect visitors to the area of operation or to protect, conserve, and preserve resources in the area of operation.

The Secretary may terminate this concession contract if the Secretary determines that the concessionaire has materially breached any requirement of this concession contract. The contract includes the requirement to:

- Maintain and operate visitor services to the satisfaction of the Secretary.
- Provide only those visitor services required by the Secretary pursuant to this concession contract.
- Implement the Maintenance Plan.

- Implement the Operating Plan.
- Pay the established franchise fee.
- Pay into the reserve account for facilities improvement (RAFI) as agreed.
- Prepare and comply with an Environmental Management Program (EMP).
- Prepare and comply with a Risk Management Program (RMP).
- Expend funds from the RAFI in an appropriate and timely manner.
- Comply with applicable laws.
- Apply the conditions of the contract when assigning, selling, or transferring responsibilities of this concession contract to a third party.

**[NOTE TO PREPARER: Add any other specific programs or concerns that might be overlooked by the concessionaire and could be considered a breach of contract. If, for some reason, the “alternate” term provision is not included in section 1 A of the contract, yet there is a CFIP, the preparer must include the following in this list: “the requirement to complete the Concession Facilities Improvement Program.”]** In addition, the concession contract will be subject to termination pursuant to the conditions set forth in Exhibit G: Operating Plan, subchapter 2-8. The Secretary shall reserve the right to collect penalties and administrative costs and shall terminate this concession contract for default and for nonperformance.

In the event of a breach of this concession contract, the Secretary will provide the concessionaire an opportunity to cure by providing written notice to the concessionaire of the breach. In the event of a monetary breach, the Secretary will give the concessionaire a 15 day period to cure the breach. If the breach is not cured within that period, the Secretary may terminate this concession contract for default. In the event of a nonmonetary breach, if the Secretary considers that the nature of the breach so permits, the Secretary will give the concessionaire 30 days to cure the breach or to prepare a plan to cure the breach that is approved by the area office and 30 days to implement the plan over a period of time. If the breach is not cured within this specified period of time, the Secretary may terminate this concession contract for default. Notwithstanding this provision, repeated breaches (two or more) of the same nature shall be grounds for termination for default without a cure period. In the event of a breach of any nature, the Secretary may suspend the concessionaire’s operations, as appropriate. This concession contract is subject to 43 Code of Federal Regulations (CFR) 4, Office of the Secretary of the Interior, Department of Hearings and Appeals Procedures, in the event of a default.

The Secretary may terminate this concession contract upon the filing or the execution of a petition in bankruptcy by or against the concessionaire; a petition seeking relief of the same or a different kind under any provision of the Bankruptcy Act or its successor; an assignment by the concessionaire for the benefit of creditors; a petition or other

proceeding against the concessionaire for the appointment of a trustee, receiver, or liquidator; or the taking by any person or entity of the rights granted by this concession contract or any part thereof upon execution, attachment, or other process of law or equity. The Secretary may terminate this concession contract if the Secretary determines that the concessionaire is unable to perform the terms of the concession contract because of bankruptcy or insolvency. Termination of this concession contract for any reason shall be by written notice to the concessionaire.

At the discretion of the Secretary, a surety or performance bond by the concessionaire may be requested at any time.

### **C. NOTICE OF BANKRUPTCY OR INSOLVENCY**

The concessionaire must give the Secretary immediate notice (within 5 days) after the filing of any petition in bankruptcy, filing any petition seeking relief of the same or different kind under any provision of the Bankruptcy Act or its successor, or making any assignment for the benefit of creditors. The concessionaire must also give the Secretary immediate notice of any petition or other proceeding against the concessionaire for the appointment of a trustee, receiver, or liquidator, or the taking by any person or entity of the rights granted by this concession contract or any part thereof upon execution, attachment, or other process of law or equity. For purposes of the bankruptcy statutes, Reclamation considers that this concession contract is not a lease but an executory contract exempt from inclusion in assets of the concessionaire pursuant to 11 United States Code (U.S.C.) 365.

### **D. REQUIREMENTS IN THE EVENT OF TERMINATION OR EXPIRATION**

In the event of termination of this concession contract for bankruptcy, nonperformance, default, or for any reason, or expiration of this concession contract, the total compensation due the concessionaire for such termination or expiration shall be as described in this section and in section 5 of this contract. No other compensation of any nature shall be due the concessionaire in the event of a termination or expiration of this concession contract, including, but not limited to, compensation for losses based on lost income, profit, or the necessity to make expenditures as a result of the termination, bankruptcy, or expiration.

Upon bankruptcy or termination of this concession contract for any reason, or upon its expiration, and except as otherwise provided in this section, the concessionaire shall, at the concessionaire's expense, promptly vacate the area, remove all the concessionaire's personal property, repair any injury occasioned by installation or removal of such property, and ensure that concession facilities are in at least as good condition as they were at the beginning of the term of this concession contract, reasonable wear and tear excepted. The removal of such personal property must occur within 30 days after the termination of this concession contract for bankruptcy or termination for any reason or its expiration, unless the Secretary, in particular circumstances, requires immediate removal.

At the end of 30 days, if the subject property is not removed, it will be considered abandoned property and may become the property of the United States Government or removed by the Government. The former concessionaire will be billed and responsible for all costs of removal.

To avoid interruption of services to the public upon bankruptcy or termination of this concession contract for any reason, or upon its expiration, the concessionaire, upon the request of the Secretary, shall consent to the use, by another operator, of the concessionaire's personal property, excluding inventories, if any, not including current or intangible assets, for a period of time not to exceed 1 year from the date of such termination or expiration. The other operator shall pay the concessionaire an annual fee for use of such property, prorated for the period of use, in the amount of the annual depreciation of such property, plus a return on the book value of such property equal to the prime lending rate, as published by the Federal Reserve System Board of Governors, effective on the date the operator assumes managerial and operational responsibilities. In such circumstances, the method of depreciation applied shall be either straight line depreciation or depreciation as shown on the concessionaire's Federal income tax return, whichever is less. To avoid interruption of services to the public upon termination of this concession contract for any reason or its expiration, the concessionaire shall, if requested by the Secretary, sell its existing inventory to another operator at the purchase price as shown on applicable invoices.

#### **E. CONCESSION CONTRACT SUSPENSION**

The Secretary may temporarily suspend operations under this concession contract in whole or in part, as deemed necessary to protect area visitors or to protect, conserve, and preserve area resources. This concession contract may be suspended in whole or in part for concession contract violations that include, but are not limited to, administrative deficiency, operational deficiency, health and safety, employee problems or issues, and environmental regulation noncompliance as deemed necessary by the Secretary. No compensation of any nature shall be due the concessionaire by the Secretary in the event of a suspension of operations, including, but not limited to, compensation for losses based on lost income, profit, wages, or the necessity to make expenditures as a result of the suspension.

#### **F. CONCESSION CONTRACT EXTENSION**

The term of this concession contract may not be extended beyond that stated within this section. If a subsequent contract is not in place at the time the existing concession contract expires or is terminated, an interim contract may be issued for a term not to exceed 2 years.

#### **G. NO RIGHT OF RENEWAL PREFERENCE**

This concession contract does not include a preferential right of renewal.

## H. CONTRACT SALE OR TRANSFER OF INTERESTS

The concessionaire shall not transfer, assign, sell, or otherwise convey or pledge interests, or part of its interests, under this concession contract, the concession operation, or the concessionaire's fixed assets within the area of operation to another party without prior notification of intent and written approval of the sale or transfer by the Secretary. Concessionaires must complete and submit all sale and transfer information as required by Reclamation before any consideration will be given to the approval of a sale or transfer of all or any portion of a concession operation. **A proposed sale or transfer of interest is subject to the same evaluation process that is performed for a new concession contract.** The Secretary may choose not to approve a proposed sale or transfer or may place such conditions on any approval that the Secretary considers necessary to protect the public. Before the approval of a sale or transfer of interest, the terms and conditions of this concession contract are subject to reasonable changes that are consistent with the purpose and objectives of this concession contract and current Reclamation policy, at the discretion of the Secretary. In the event of a sale or transfer of interest, the length of this original concession contract term may be reduced but not extended, at the discretion of the Secretary.

## I. ASSIGNMENT, SALE, OR ENCUMBRANCE OF INTERESTS

This concession contract is subject to the requirements of applicable laws with respect to proposed assignments and encumbrances, as those terms are defined by applicable laws. Failure by the concessionaire to comply with applicable laws is a material breach of this concession contract for which the Secretary may terminate this concession contract for default. The Secretary shall not be obliged to recognize any right of any person or entity to an interest in this concession contract of any nature, including, but not limited to, CIR or operating rights under this concession contract, if obtained in violation of applicable laws.

The concessionaire shall advise any person(s) or entity proposing to enter into a transaction of the requirements of applicable law and the requirements of this concession contract.

# SECTION 2 – SERVICES AND OPERATIONS

## A. REQUIRED AND AUTHORIZED SERVICES

During the term of this concession contract, the Secretary requires and authorizes the concessionaire to provide the services, as listed below, to the public within the area of operation.

The concessionaire is required to provide the following services during the term of this concession contract:

**[NOTE TO PREPARER: List the required and authorized services separately. List the required services here. Provide a detailed description of required services, including a comparison of quality (like the quality of services provided by a “Denny’s Restaurant” or a “Howard Johnson motel.”) This description and comparison should be taken directly from the feasibility study.]**

The concessionaire is authorized, but not required, to provide the following services during the term of this concession contract:

**[NOTE TO PREPARER: Provide a detailed list of authorized services here.]**

The concessionaire is required by this concession contract to perform the following **[changes, removal, or phaseout of the existing facilities, services, fixed assets, or sites]** to be completed on or before \_\_\_\_\_, 20\_\_.

**[NOTE TO PREPARER: Select the appropriate words from the wording provided above. Then, in this space, list the specific changes, removal, or phaseout, providing the related date(s), as appropriate.]**

During the term of this concession contract, the concessionaire is not authorized to provide any service, facility, or activity not identified as either required or authorized in this section of this concession contract, except as an amendment to this concession contract and signed by the Secretary. In providing these required and authorized services, the concessionaire must not permit any visitor, person, or organization to occupy or use the subject services for an extended period of time so as to preclude use by others. In providing these required and authorized services, only the concessionaire is authorized to commence construction as set forth in section 4 H of this concession contract, and the concessionaire will not, under any circumstances, authorize any other person to commence construction of any kind. Reclamation shall prescribe the time-use limitations in the Operating Plan set forth in exhibit G of this concession contract, which may be changed from time to time during the term of this concession contract at the discretion of the Secretary.

Allowing any long-term exclusive use or unauthorized extended period use shall be considered a material breach of this concession contract for which the Secretary may seek monetary damages and other legal relief, including, without limitation, termination of this concession contract. Exclusive use is any use which excludes other appropriate public recreational use or users for extended periods of time.

## **B. SCOPE OF SERVICES AND OPERATING PLAN**

The Secretary reserves the right to determine and control the nature, type, and quality of the services provided and merchandise sold within the area of operation as described in

this concession contract. All such services and merchandise will be compatible with the intent of the concession contract, and questions of applicability or requests for variance shall be forwarded to the area manager for consideration. Approvals must be in writing.

The concessionaire shall provide, operate, and maintain the required and authorized visitor services and any support facilities and services in accordance with this concession contract to such an extent and in a manner considered satisfactory by the Secretary.

**[NOTE TO PREPARER: There may be instances in which support services will be required. These are not required or authorized visitor services and should be addressed here as shown in the following example: As a related support service, the concessionaire will be required to provide employee housing or an employee transportation system to shuttle employees to and from the work site and the city of \_\_\_\_\_.]** The concessionaire is authorized to provide visitor services under the terms of this concession contract within the area of operation on [an exclusive, a nonexclusive] use basis. **[NOTE TO PREPARER: Select either exclusive or nonexclusive, depending on the number of facilities and services that are expected to be authorized in the area of operation over the contract term.]**

The concessionaire shall comply with all conditions set forth in the Operating Plan. The initial Operating Plan is attached to this concession contract as exhibit G, subchapter 2-8. The Secretary, acting through the area manager in his discretion, after consultation with the concessionaire, may make reasonable modifications to the initial Operating Plan from time to time that are in furtherance of the purposes of this concession contract and are not inconsistent with the terms and conditions of the main body of this concession contract.

**[NOTE TO PREPARER: If there is a gift shop, follow information required in exhibit N, subchapter 2-15.]**

## **C. LEGAL, REGULATORY, AND POLICY COMPLIANCE**

This concession contract, the operations thereunder by the concessionaire, and its administration by the Secretary shall be in accordance with the laws of the Congress and other State and local laws governing the area of operation and relevant rules, regulations, and policies promulgated. (See exhibit L, subchapter 2-13.) The concessionaire shall operate and maintain its facilities and appurtenances in safe working order and shall ensure compliance with the laws of the State of \_\_\_\_\_ **[NOTE TO PREPARER: Add the name of the State(s).]** and all laws, regulations, and orders of the United States of America and any other public authority affecting such works. Certain applicable laws relating to nondiscrimination in employment and providing accessible facilities and services to the public are further described in exhibit A of this concession contract.

The concessionaire shall give the Secretary immediate written notice of any violation of applicable laws by the concessionaire, including its employees, agents, or contractors,

and, at its sole cost and expense, must promptly rectify any such violation. Failure to notify the Secretary will be a material breach of the contract and can be reason for the Secretary to terminate the contract.

All correspondence and notices required by this concession contract shall be in writing and shall be served on the parties at the following addresses. The mailing of a notice by registered or certified mail, return receipt requested, shall be sufficient service. Notices sent to the Secretary shall be sent to the following address: **[NOTE TO PREPARER: Complete the blanks below.]**

Secretary: \_\_\_\_\_

Site name: \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Notices sent to the concessionaire shall be sent to the following address:

Concessionaire: \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

#### **D. RATES FOR GOODS AND SERVICES**

Rates for all required and authorized goods and services shall be reasonable and appropriate for the type and quality of merchandise, facilities, and services required or authorized under this concession contract. All rates must be approved by Reclamation. Rates requests should reflect comparable goods and services provided by the private sector operating in a competitive environment under similar operating conditions. Should Reclamation not approve a rate request for any of the concessionaire's goods or services, based upon this comparability approach, the concessionaire is required to continue using the currently approved rates. If the concessionaire wishes to appeal Reclamation's determination it will need to resubmit a modified proposal with additional support information.

Reclamation may choose to accept the concessionaire's proposed rates; however, if Reclamation does not accept the concessionaire's proposed rates, Reclamation rate appeal reviews for goods and services are final and nonchallengeable.

The concessionaire shall require its employees to observe strict impartiality as to rates and services in all circumstances. The concessionaire may, subject to the prior approval of the Secretary, grant complimentary or reduced rates under such circumstances as are customary in businesses similar to that which will be conducted under this concession contract. However, the Secretary reserves the right to review and modify the concessionaire's complimentary or reduced rate policies.



The concessionaire will provide Federal employees conducting official business with reduced rates for lodging, essential transportation, and other specified services necessary for conducting official business in accordance with Reclamation guidelines and policy. Complimentary or reduced rates and charges shall otherwise not be provided to Federal employees by the concessionaire, except to the extent that they are equally available to the general public. The concessionaire shall prominently post all rates and charges for goods and services provided to the visiting public.

#### **E. NONDISCRIMINATION OF SERVICE TO VISITORS**

Concessionaire employees shall not discriminate when setting rates or providing services to visitors. The concessionaire shall comply with all applicable laws and regulations, whether now in force or made effective after the execution of this concession contract, relating to nondiscrimination in providing services to the public and accessible facilities and services, including, but not limited to, those set forth in exhibit A.

#### **F. CONCESSIONAIRE EMPLOYEES**

The concessionaire shall provide all personnel necessary to provide the visitor services required and authorized by this concession contract.

The concessionaire shall comply with all applicable laws relating to employment and employment conditions, including, but not limited to, those set forth in exhibit A.

The concessionaire shall require and ensure that its employees are hospitable and exercise courtesy and consideration in their relations with the public. The concessionaire will require its employees who come in direct contact with the public to wear a uniform by which they can be identified as employees of the concessionaire. Concessionaire uniforms must be consistent in style and color and have the name of the concession on all shirts, blouses, jackets, or upper body apparel.

The concessionaire shall review the conduct of any of its employees whose action or activities are considered by the concessionaire or the Secretary to be contrary to the proper administration of the area and protection of visitor safety and enjoyment and shall immediately take such actions as are necessary to correct the problem.

#### **G. CONCESSIONAIRE EMPLOYMENT CONDITIONS**

The concessionaire shall comply with applicable laws relating to employment of workers, nondiscrimination in employment, and providing accessible facilities and services including, but not limited to, those set forth in attached exhibit A.

The concessionaire shall establish pre-employment screening, hiring, training, employment, termination, and other policies and procedures for the purpose of providing

visitor services through its employees in an efficient and effective manner and for the purpose of maintaining a healthful, law abiding, and safe working environment for its employees. The concessionaire shall conduct appropriate background reviews of applicants to whom an offer of employment may be extended to ensure that they conform to the hiring policies established by the concessionaire.

The concessionaire shall maintain, to the greatest extent possible, a drug-free environment, both in the workplace and in any concessionaire employee housing, within the area of operation. The concessionaire shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and in the area of operations and specifying the actions that will be taken against employees for violating this prohibition. In addition, the concessionaire shall establish a drug-free awareness program to inform employees about the danger of drug abuse in the workplace, the availability of drug counseling, rehabilitation and employee assistance programs, and the concessionaire's policy of maintaining a drug-free environment both in the workplace and in the area of operation.

The concessionaire shall conduct educational programs for its employees to deter substance abuse and alcohol abuse. Those employees who are in safety sensitive positions as determined by or consistent with Federal, State, or local health, law enforcement, or other appropriate agency, will be required to participate in periodic drug testing. The concessionaire will promptly report illegal drug use to the Secretary, should it occur. It is the responsibility of the concessionaire to structure a drug testing program that ensures, to the greatest extent possible, a drug-free workplace. The concessionaire shall provide the Secretary with a written summary of drug testing activity, if any, on an annual basis.

The responsibility of the concessionaire may be exercised through an external agreement with individuals, companies, or agencies qualified to provide such assistance.

If the concessionaire is required to provide employee housing under this concession contract, the concessionaire's charges to its employees for this housing must be reasonable.

If visitor services required or authorized under this concession contract are located in a remote or isolated area, the concessionaire shall provide appropriate recreational activities.

## **H. CONCESSIONS REVIEW PROGRAM**

The concessionaire shall be evaluated by Reclamation under the Concessions Review Program. The Concessions Review Program will consist of four separate evaluations: (1) Operations and Facilities Evaluation, (2) Public Health Service Inspection, (3) Safety and Environmental Evaluation, and (4) Contract Compliance Evaluation. The Operation and Facilities Evaluation shall be conducted semiannually. All other evaluations shall be

conducted as Reclamation may desire as identified in the Operation Plan. Reclamation may, at its discretion, terminate this concession contract in the case of an unsatisfactory rating on any of the evaluations.

A year end annual overall rating will be assigned and described in chapter 8 of the these guidelines, and the overall rating will be shown on 10-630.

## **SECTION 3 – PROTECTION AND INTERPRETATION OF AREA RESOURCES**

### **A. ENVIRONMENTAL MANAGEMENT OBJECTIVES**

The concessionaire shall meet the following environmental management objectives in the conduct of its operations under this concession contract:

1. The concessionaire, including its employees, agents, and contractors, shall comply with all applicable laws pertaining to the protection of the public, employees, and natural and cultural resources within the area of operation.
2. The concessionaire shall incorporate Best Management Practices in its operation, construction, maintenance, acquisition, provision of visitor services, and other activities under this concession contract.
3. The design, construction, and operation of the facilities and the provision of services under this concession contract shall be performed in a manner that prevents, identifies, and reduces pollution at the source. The concessionaire shall comply with all applicable laws and Reclamation policies and instructions promulgated and enacted during the term of this concession contract concerning any hazardous materials that will be used, produced, transported, stored, or disposed of on or in lands, water, or facilities owned by the United States of America or administered by Reclamation.
4. A concessionaire may not knowingly allow contamination of lands, water, or facilities within the area of operation by hazardous materials, thermal pollution, refuse, garbage, sewage effluent, industrial or commercial waste, petroleum products, mine tailings, mineral salts, pesticides, pesticide containers, or any other pollutants, including, but not limited to, misuse of pesticides.
5. The concessionaire's operation, maintenance, acquisition, and purchasing activities will, to the extent practical, promote the use of environmentally preferable products, including materials and supplies with recycled content, and will avoid or minimize the quantity of toxic and hazardous materials entering the waste stream.

6. The concessionaire shall immediately report to the area manager any event that may or does result in pollution or contamination adversely affecting lands, water, or facilities within the area of operation.

## **B. ENVIRONMENTAL MANAGEMENT PROGRAM**

1. The concessionaire shall implement and comply fully with, to the satisfaction of the area manager, the EMP set forth in exhibit O, subchapter 2-16, of this concession contract.
2. The EMP shall be submitted to Reclamation annually for revision and approval.

## **C. ENVIRONMENTAL EVALUATION**

The concessionaire shall be evaluated by Reclamation on its environmental performance under this concession contract including, without limitation, compliance with the approved EMP and on the following criteria, as a part of the Safety and Environmental Evaluation:

1. Hazardous wastes are properly identified and managed. First Priority (A)
2. An Oil and Hazardous Substance Spill Contingency Plan is in place; all employees are trained in first response procedures; Reclamation and appropriate regulatory authorities are notified of any spill or release of a hazardous substance. First Priority (A)
3. A hazardous waste minimization strategy is in place, reporting requirements are met, and progress is being made toward reduction goals. Second Priority (B)
4. Areas of contamination caused by or attributable to the concessionaire are cleaned up to the satisfaction of Reclamation and regulatory authorities. First Priority (A)
5. Hazardous material inventories and use records are maintained and provided to Reclamation. Hazardous materials are stored and handled in a manner that minimizes the potential for spill or release. First Priority (A)
6. A solid waste minimization strategy is in place, waste generation information is provided to Reclamation, and progress is being made toward waste reduction goals. Second Priority (B)
7. An affirmative procurement program is in place to ensure that, where available, products containing recycled material or materials that are environmentally preferable are preferentially acquired (Green Procurement). Second Priority (B)

8. The concessionaire will conserve energy and improve energy efficiency of operations being implemented. Every effort will be made to ensure that environmentally safe and sustainable energy sources are used. A program to reduce overall energy consumption is documented and actively pursued. Second Priority (B)
9. The goals and objectives of the area's water conservation program are being met. Second Priority (B)
10. Prior written approval has been obtained from Reclamation for implementation of any pesticide, herbicide, or vector control action. First Priority (A)
11. Sight, sound, and odor impacts to the environment and visitor experience are avoided when possible. Second Priority (B)
12. Care is exercised to avoid introduction of nonnative biota except as approved by the area manager. First Priority (A)
13. The concessionaire conducts recurring training for staff concerning the critical importance of pollution prevention and spill report procedures, emergency incident and spill response, water and energy conservation, and the concessionaire's role in stewardship of area of operation lands and waters. Training of employees in emergency and spill response includes field exercises done in coordination with Reclamation. First Priority (A)
14. Employee incentive system is in place to reward employees for innovative or exemplary contributions toward prevention of pollution and to allocate some of the savings gained in energy and water conservation programs back to staff members who produce those gains. Second Priority (B)
15. Planning and design for facilities are coordinated with the area manager, including application of sustainable design principles and Reclamation reviews and approvals including, but not limited to, procedures imposed by Federal, State, county, or municipal regulations (e.g., National Environmental Policy Act, Historic Preservation Act (Section 106) and fire and safety and building codes). First Priority (A)
16. Required environmental protection and pollution prevention facilities are in place or are in the process of being acquired, designed, or constructed with due diligence. Construction is conducted in a manner that prevents or minimizes pollutant emissions or discharges and protects public health and the environment. First Priority (A)

**[NOTE TO PREPARER: The preparer should amend the environmental evaluation standards to apply to the specific concession operation being contracted. The level of importance of each standard is indicated in parenthesis, either First Priority (A) or Second Priority (B). The different**

**priority levels are used to determine the concessionaire's rating for the environmental evaluation. Any standards that are not applicable to the concession operation should be omitted even though the level of importance of a particular standard may be First Priority (A).]**

## **D. ENVIRONMENTAL DATA, REPORTS, NOTIFICATIONS, AND APPROVALS**

1. **Inventory of Hazardous Substances and Inventory of Waste Streams** – The concessionaire shall submit to the area manager, at least annually, an inventory of Federal Occupational Safety and Health Administration (OSHA) designated hazardous chemicals used and stored in the area of operation by the concessionaire. The area manager may prohibit the use of any OSHA hazardous chemical by the concessionaire in operations under this concession contract. The concessionaire shall obtain the area manager's approval before using any extremely hazardous substance, as defined in the Emergency Planning and Community Right to Know Act of 1986, in operations under this concession contract. The concessionaire shall also submit to the area manager, at least annually, an inventory of all waste streams generated by the concessionaire under this concession contract. Such inventory shall include any documents, reports, monitoring data, manifests, or other documentation required by applicable laws regarding waste streams.
2. **Reports** – The concessionaire shall submit to the area manager copies of all documents, reports, monitoring data, manifests, and other documentation required under applicable laws to be submitted to regulatory agencies. The concessionaire shall also submit to the area manager any environmental plans for which coordination with area operations are necessary and appropriate, as determined by the area manager in accordance with applicable laws. The concessionaire shall submit a quarterly report on the amount of toxic chemicals entering the waste stream from concession facilities.
3. **Notification of Releases** – The concessionaire shall give the area manager immediate written notice of any discharge, release, or threatened release (as these terms are defined by applicable laws) within or in the vicinity of the area of operation, (whether solid, semisolid, liquid, or gaseous in nature) of any hazardous or toxic substance, material, or waste of any kind, including, without limitation, building materials such as asbestos, or any contaminant, pollutant, petroleum, petroleum product, or petroleum byproduct.
4. **Notice of Violation** – The concessionaire shall give the area manager, in writing, immediate notice of any written, threatened, or actual notice of violation from other regulatory agencies of any applicable law arising out of the activities of the concessionaire, its agents, or employees.
5. **Communication with Regulatory Agencies** – The concessionaire shall provide to the area manager timely written advance notice of communications, meetings,

audits, inspections, hearings, and other proceedings, between regulatory agencies and the concessionaire related to compliance with applicable laws concerning operations under this concession contract. The concessionaire shall also provide to the area manager any written materials prepared or received by the concessionaire in advance of or subsequent to any such communications. The concessionaire shall allow the area manager to participate in any such communications. The concessionaire shall notify the area manager immediately following any unplanned communications between regulatory agencies and the concessionaire.

## **E. CORRECTIVE ACTION**

1. The concessionaire, at its sole cost and expense, shall promptly control and contain any discharge, release, or threatened release, as set forth in this section, or any threatened or actual violation, as set forth in this section, arising in connection with the concessionaire's operations under this concession contract, including, but not limited to, payment of any fines or penalties imposed by appropriate agencies. Following the prompt control or containment of any release, discharge, or violation, the concessionaire shall take all response actions necessary to remediate the release, discharge, or violation and to protect human health and the environment.
2. Even if not specifically required by applicable laws, the concessionaire shall comply with directives of the area manager to clean up or remove any materials, products, or byproducts used, handled, stored, disposed of, or transported onto or into the area of operation by the concessionaire to ensure that the area of operation remains in good condition.

## **F. INDEMNIFICATION AND COST RECOVERY FOR ENVIRONMENTAL ACTIVITIES**

1. In accordance with section 7 of this concession contract, the concessionaire shall indemnify the United States from all losses, claims, damages, environmental injuries, expenses, response costs, allegations or judgments (including, without limitation, fines, and penalties), and expenses (including, without limitation, attorneys' fees and experts' fees) arising out of the activities of the concessionaire, its employees, agents, and contractors pursuant to this section. Such indemnification shall survive termination or expiration of this concession contract.
2. If the concessionaire does not promptly contain and remediate an unauthorized discharge or release arising out of the activities of the concessionaire, its employees, agents, and contractors, as set forth in this section, or correct any environmental self-assessment finding of noncompliance, in full compliance with applicable laws, the area manager may, in its sole discretion and after notice to the concessionaire, take any such action consistent with applicable laws as the area

manager deems necessary to abate, mitigate, remediate, or otherwise respond to such release or discharge or take corrective action on the environmental self-assessment finding. The concessionaire shall be liable for and shall pay to Reclamation any costs incurred by Reclamation associated with such action, upon demand. Nothing in this section shall preclude the concessionaire from seeking to recover costs from a responsible third party.

3. Any intentional violation of any of the provisions of this section shall constitute grounds for initiation of the procedure for immediate termination of the concession contract and shall make the concessionaire liable for the cost of full and complete remediation or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.

## **G. WEED AND PEST MANAGEMENT**

1. The concessionaire shall be responsible for managing weeds, vermin, and other pests on all authorized land and in all facilities assigned for use in conducting operations under the concession contract. Plants and animals that are native to the area of operation may not be removed or harmed except with the prior written approval of the Secretary.

**[NOTE TO PREPARER: Omit the following sentences on Integrated Pest Management (IPM) Plans if they are not required for the concession operation.]** All pest management activities will be consistent with the concepts and practices of IPM as adopted by Reclamation. The IPM Plan shall include a systematic and environmentally compatible program involving the use of suitable control techniques, including prevention; biological, chemical, physical (mechanical and manual), and cultural measures (environmental manipulation); and public awareness programs.

**[NOTE TO PREPARER: Insert the most appropriate text from the choices below. The first paragraph is to be used for concession operations that will have an IPM Plan. The second paragraph is for concessions that will not be required to follow an IPM Plan.]**

2. **The concessionaire must adhere to the IPM Plan as specified in the Reclamation-approved EMP. The concessionaire will meet annually with Reclamation to discuss pest management issues and requirements for the use of pesticides.**

**[OR]**

2. **The concessionaire shall submit to Reclamation, at least 30 days in advance of any pesticide application, a Pesticide Use Proposal. The concessionaire is responsible for complying with all training requirements (Federal, State, and local), operational requirements, and licensing requirements as may be**



**pertinent to and required for the application of pesticides within the State of operation.**

## **H. HAZARDOUS MATERIALS**

1. The concessionaire shall maintain health and safety standards and take necessary mitigative and corrective measures to ensure healthy working and living environments in all assigned buildings and improvements. The concessionaire shall store, handle, and use hazardous materials in a manner that protects workers from harmful exposure, minimizes the potential for spills and releases, and reduces the use of these materials to diminish the subsequent generation of hazardous waste.

Hazardous materials shall be handled in accordance with OSHA 29 CFR 1910 and 1926. Examples of hazardous materials requiring special management controls include asbestos, radon, and lead-based paint. The concessionaire shall obtain Reclamation approval before using chemicals, pesticides, and toxic materials. Applications and methods of use shall conform to Federal, State, and local laws and applicable codes, policies, and guidelines.

**[NOTE TO PREPARER: The following requirement should be omitted if it is not appropriate for the concession operation.]**

2. **Hazardous Materials-Related Training** – The concessionaire shall provide training to all employees in accordance with 29 CFR 1910.120 (First Responder for Hazardous Materials Incidents) and 29 CFR 1910.1200 (Hazard Communication). The concessionaire shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials.
3. **Hazardous Waste Minimization and the Use of Environmentally Preferable Products** – The concessionaire shall attempt to minimize the use of hazardous materials in its operations, thus diminishing the amount of hazardous waste generated over time. The concessionaire shall seek to use fewer toxic materials and, instead, will use products that are environmentally preferable as a general means to minimize hazardous waste. If the concessionaire generates more than 100 kilograms per month of hazardous waste, the concessionaire must provide Reclamation with a Hazardous Waste Minimization Plan. To track any trends for waste generated, the concessionaire must provide information on all hazardous waste management (recycling and disposal) to Reclamation quarterly.

## **I. SOLID WASTE MINIMIZATION**

The concessionaire shall implement policies and practices consistent with the area's solid waste minimization program. The concessionaire shall provide Reclamation with a written solid waste minimization plan. Special consideration should be given to the type

of packaging and containers that are used in products offered for sale to visitors. If the concessionaire collects and hauls its solid waste, the concessionaire shall provide Reclamation information quarterly regarding the amount of solid waste generated and the amount of material recycled.

## **J. DRAINAGE AND STORMWATER POLLUTION PREVENTION**

1. The concessionaire shall implement Best Management Practices to prevent the degradation of water quality in stormwater and other runoff from facilities assigned to the concessionaire. Erosion controls must be implemented at construction sites with disturbed soils exposed. Untreated water from vehicle and equipment washing must not be allowed to run off; oil/water separation must occur before discharge. Any improvements to drainage systems must be made in accordance with Federal, State, and local regulations.
2. The concessionaire shall ensure proper drainage control to protect landscapes, native vegetation, structures, facilities, improvements, and equipment while maintaining natural drainage patterns to the greatest extent possible.

## **K. RECYCLING AND CONSERVATION**

1. The concessionaire shall implement a source reduction program designed to minimize concession use of disposable products in its operations. Polystyrene and plastics shall be used as little as possible (and then only polystyrene not containing chlorofluorocarbon). Where disposable products are needed, products that have the least impact on the environment shall be used.
2. **Recycling and Beverage Container Programs** – The concessionaire shall implement a recycling program that fully supports the efforts of Reclamation. Products to be recycled include, but are not limited to, paper, newsprint, cardboard, bimetals, plastics, aluminum, glass, waste oil, antifreeze, and batteries.

The concessionaire shall provide recycling bins in all public areas. The concessionaire is responsible for emptying these bins as needed and for ensuring that these recovered materials are delivered for recycling.

Any beverage container deposits collected in excess of related operating expenses shall be used for environmental projects as approved in writing by the area manager. An accounting of the beverage container deposits collected and distributed will be provided to Reclamation on an annual basis.

3. **Water and Energy Conservation** – The concessionaire will implement water and energy conservation measures for each of its operations. As new technologies are developed, the concessionaire will explore the possibility of integrating them into existing operations where there is potential for increased

efficiency, reduced water or energy consumption, or reduced impacts on the environment.

## **L. WASTEWATER TREATMENT**

1. The concessionaire shall ensure that all wastewater systems are operated in accordance with all applicable laws and environmental requirements, including Federal, State, and local laws and applicable codes, policies, and guidelines.

For Wastewater that will be discharged into surface water, the wastewater treatment facility must comply with the effluent limitation requirements established in Public Law 92-500 (Clean Water Act) and be permitted in accordance with the National Pollutant Discharge Elimination System, as administered by the Environmental Protection Agency.

All new wastewater treatment facilities must be designed in accordance with the best practicable wastewater treatment technology and be based on sound engineering standards such as those established by the American Society of Civil Engineers or the Recommended Standards for Wastewater Facilities (10 States Standards) prepared by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers.

When wastewater system modifications or new construction are proposed, the concessionaire will submit plans and specifications to Reclamation for approval.

2. All new vault toilets will incorporate the U.S. Forest Service Sweet Smelling Toilet design features or similar features from other sources. Vault toilets shall be pumped as necessary. All toilets will be cleaned and re-supplied as often as necessary to maintain a high degree of sanitation. Adequate sanitation facilities will be required for remote area activities such as river rafting, horseback riding, backpacking, and similar activities.
3. Septic tanks will be inspected annually by the concessionaire to determine the amount of accumulated scum and sludge. Records of septic tank measurements, inspections, and pumping will be available for review by Reclamation. Septic tank risers will be provided for inspection holes to facilitate inspection and pumping. Septic tanks will be pumped when the scum or sludge levels in the tank dictate (generally every 3–5 years). The bottom of the scum should never be closer than 3 inches to the bottom of the outlet device, and the top of the sludge layer should never be less than 8 inches from the bottom of the outlet device. Records of septic tank measurements, inspections, and pumping should be maintained and be available for review by Reclamation.

Septic tank drain fields will be surveyed annually during a high-use period to identify system failures such as odors and surfacing wastewater. The drain field should be kept clear of trees and bushes, which may send roots into the drain field

pipng system causing clogging and premature failure. Additives to enhance bacterial growth in septic tank systems are generally not recommended.

4. Personnel who routinely come into contact with sewage or who work in or inspect wastewater treatment facilities, lagoons, etc., must have a current immunization for tetanus. Wastewater treatment plant personnel shall not eat, drink, or smoke when performing maintenance or inspecting equipment that may be contaminated with sewage. Workers cleaning up wastewater spills will wear coveralls, rubber boots, and rubber gloves. On completion of cleanup, workers shall remove clothing and place in plastic bag for laundering, take a hot shower using sufficient soap and water, and rinse rubber boots, gloves, and other protective equipment with 100 parts per million disinfectant solution of hypochlorite.
5. In the event of a major wastewater leak or spill, Reclamation will be notified within one (1) business day. Facilities and equipment contaminated with sewage as a result of leaks, spills, and sewage system backflow will be thoroughly washed down with water and detergent.
6. Lagoons should be monitored at least every 2 weeks for liquid coloration, presence of septic odors, properly operating aerators, material floating on the surface, insect breeding, and vegetation growth. The dikes should be free of rodent burrows. Vegetation on the dikes and at the waterline should be controlled. All lagoons should be signed and fenced in such a manner as to exclude unauthorized entry. An all-weather road should be constructed for each lagoon.

## **M. PROTECTION OF HISTORIC, CULTURAL, AND ARCHEOLOGICAL RESOURCES**

**[NOTE TO PREPARER: The following requirement should be omitted if it is not appropriate for the concession operation. If included, it should be tailored to reflect the specific circumstances of the area of operation and the concession operation. Additional information is provided in chapter 15.]**

The concessionaire shall ensure that any protected sites and archeological resources within the area of operation are not disturbed or damaged by the concessionaire's operations, including the concessionaire's employees, agents, and contractors, except in accordance with applicable laws and only with the prior approval of the Secretary. Discoveries of any archeological resources by the concessionaire shall be promptly reported to the area manager. The concessionaire shall cease work or other disturbance that may impact any protected site or archeological resource until the area manager grants approval, upon such terms and conditions as the area manager deems necessary, to continue such work or other disturbance.

## **N. INTERPRETATION OF AREA RESOURCES**

The concessionaire shall provide all required and authorized services in a manner that is consistent with and supportive of the interpretive themes, goals, and objectives of the area of operation. The concessionaire may assist in interpretation in the area of operation at the request of the Secretary to enhance visitor enjoyment of the area.

The Secretary reserves the right to enter into agreements with cooperating associations for supplemental services that are deemed by Reclamation to be part of and appropriate to the area of operation's interpretive program. The proposed content of any interpretive programs, exhibits, or displays shall be submitted to the Secretary for review and written approval before being offered to the area of operation visitors.

The concessionaire is **[NOTE TO PREPARER: Insert the word that is most appropriate for the concession being contracted: "encouraged" or "required."]** to develop interpretive materials or means to educate visitors about environmental programs or initiatives implemented by the concessionaire and to support educational efforts through such actions as developing printed material (menus, marketing, correspondence, etc.), using outdoor signs, and, as appropriate, formal programs.

The proposed content in any interpretive programs, exhibits, displays, correspondence, marketing, or signs shall support the interpretive themes and objectives of the area as reflected in area planning documents, mission statements, or other interpretive documents and be submitted to the Secretary for review and written approval before being offered to area of operation visitors.

## **O. RISK MANAGEMENT PROGRAM**

The concessionaire shall provide a safe and healthful environment for all employees and visitors. The concessionaire must develop an RMP, which must be approved by the area manager as specified in the concession contract and in exhibit M, subchapter 2-14.

The concessionaire will adhere to the RMP in exhibit M of this concession contract.

The concessionaire shall comply with the following performance standards. The concessionaire will be evaluated, based on compliance with these standards, in the Concessions Review Program.

**[NOTE TO PREPARER: The following performance standards should be tailored to suit the size and complexity of the concession operation; however, standards marked with "First Priority (A)" are considered critical and must be included for all concessions regardless of size or complexity. Second and third priority standards may be removed if deemed unnecessary or not applicable to the subject concession. These standards are also presented in the prospectus to help the concessionaire understand the level of Safety Performance that will be expected of him or her. The preparer should verify that the standards included in the prospectus are the same as**

**the standards included in the final contract. For example, if standard number one is omitted from the concession contract, it should also be omitted from the list of standards included in the prospectus.]**

1. Policy written and available to staff – Second Priority (B)

The policy states the concessionaire’s commitment to provide a safe and healthy environment for employees and visitors. At a minimum, it will address procedures to identify and correct safety deficiencies and measures to ensure safety awareness and training in hazards recognition. The policy will outline accountability and responsibility for managers, supervisors, and employees. The policy will be distributed to employees or will be posted conspicuously. The scope and complexity of the program is commensurate with the size and type of operations and services being provided. Long-range goals and objectives to achieve a safe, healthful environment will be formulated.

2. Safety and health official is designated – Third Priority (C)

The person with primary responsibility for managing the concessionaire’s RMP will be clearly identified, and this person’s responsibilities and authority will be clearly stated. Sufficient documentation will be provided to verify that the designated safety and health official has carried out his or her assigned responsibilities; such documentation may include inspection reports, records of training sessions conducted or attended, accident or incident reports and followups, and analysis of accident trends.

3. Management and staff will be held accountable for compliance – First Priority (A)

Supervisors will be assigned the responsibility to conduct routine safety inspections of the assigned work areas, job sites, etc. Procedures to evaluate all employees on compliance with the concessionaire’s RMP will be identified. Employees will be encouraged to report unsafe or unhealthy working conditions.

4. Sufficient funds and resources will be allocated to support the RMP – First Priority (A)

Adequate funds or other resources will be set aside to cover the needs for staff, training, personal protective equipment, safety literature, etc., commensurate with the size and complexity of the concession operation.

5. Annual goals and objectives will be established – Second Priority (B)

Specific goals and objectives will be established annually for achieving a safer and more healthful work environment. These may be based on needs identified in prior reporting periods (e.g., specific goals for reducing back injuries; expanding safety segments of general orientation training for seasonal wait staff,

housekeepers, and maintenance workers; and purchasing and using an expanded safety videotape library).

6. Program administration will be developed– Third Priority (C)

Summary of accidents and injuries listing total number and total lost-days will be reported to Reclamation annually. Employees (and employee unions) will be involved in the program through committees, suggestion programs, or other systems for reporting workplace hazards.

Safety and health information will be available to all permanent and seasonal employees. OSHA “right to know” posters (OSHA 2203) will be prominently displayed in areas frequented by staff.

7. An inspection schedule must be developed – Second Priority (B)

A schedule for inspecting all facilities, equipment, and public use areas must be developed. The frequency and timing of inspections for all facilities and equipment will be identified and will be commensurate with the complexity or seasonality of the operation. Any facilities or equipment requiring specialized safety inspections (e.g., docks and marinas) will be identified, and a schedule will be established in accordance with the manufacturer’s recommendations, governing or professional organization recommendations, etc. Inspections will be conducted according to the established schedule.

8. Inspections must be conducted as scheduled or required – First Priority (A)

Procedures for documenting inspections, reporting hazards, etc., must be established. Inspections will be conducted as required.

9. Inspections will be conducted by people trained and capable of recognizing and evaluating hazards – Second Priority (B)

Inspectors will be identified. Inspectors will have the knowledge, skills, and abilities to recognize, evaluate, and make recommendations for corrective actions. Inspectors will be familiar with the operation to be inspected and typical problems that might be associated with it. Inspectors will understand and follow the established procedures for documenting and reporting hazards. Inspectors will follow up to ensure that hazards will be abated within established time limits.

10. Inspection records must be kept for a minimum of 3 years – Third Priority (C)

All inspection records must be kept for a minimum of 3 years and must be made available to the area manager upon request. Such records must include the following information: date of inspection, names of facility/building, identified deficiencies/hazards, classification of deficiencies, abatement date or action plan to correct deficiencies, and name of person conducting inspection.

11. “Imminent danger” deficiencies must be abated or action plans developed within time limits – First Priority (A)  
Such deficiencies must be abated immediately. An example is a dangling power line. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be immediately achieved, the facility or service must be closed.
12. “Serious hazard” deficiencies must be abated or action plans developed within time limits – First Priority (A)  
  
Such deficiencies should be abated within approximately 15 days or other reasonable timeframe as established by the concessionaire and approved by Reclamation. Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be immediately achieved, the facility or service must be closed.
13. “Nonserious hazard” deficiencies must be abated or action plans developed within time limits – First Priority (A)  
  
Nonserious hazards should be abated within 45 days or a reasonable time frame as established by the concessionaire and approved by Reclamation. Abatement methods will include correction of the deficiency or other action to reduce risk temporarily to staff and visitors.
14. A documented plan must be in place for reporting and investigating employee and visitor accidents/incidents – Third Priority (C)  
  
Accident/incident reporting and investigating procedures must be documented. Such procedures must include, but are not limited to, the types of accidents to be reported, the forms to be used to properly document accidents/incidents, the person(s) responsible for reporting and/or investigating accidents/incidents and for completing the forms, and required timeframes for reporting and documenting accidents/incidents. Corrective action must be taken to reduce or eliminate recurrence of accidents. Records must be maintained verifying that accidents were reported and documented as required by Reclamation, OSHA, Office of Workers’ Compensation, etc.
15. All reportable accidents must be reported to Reclamation – Second Priority (B)  
  
A plan must be developed outlining procedures for accident reporting. Employees must be aware of these procedures. Reportable accidents/incidents include any fatalities, visitor incidents with likelihood of a tort claim against the United States, and fires. Employees must be aware of the type of accidents/incidents that must be reported to Reclamation. Such records should include the date the accident/incident was reported, to whom, and by whom.



16. Activity-related hazards must be communicated – Second Priority (B)  
  
Activity related hazards (e.g., safety orientation for white-water rafting trips and horseback rides) must be effectively communicated to area of operation visitors.
17. Resource-related hazards must be communicated – Second Priority (B)  
  
Resource hazards that exist within the scope of the concession operation (e.g., falling rocks, wild animals, Lyme disease, trail or river conditions, and hypothermia) must be effectively communicated to area of operation visitors and staff.
18. Training plans for supervisors and employees must meet the requirements set forth in exhibit M – Second Priority (B)
19. Training plans and accomplished training for supervisors must be established – Second Priority (B)  
  
A plan must be established identifying the training requirements for all supervisors. Required subject matter and required training courses must be identified and provided. All accomplished training must be documented.
20. Training plans and accomplished training for employees must be established – Second Priority (B)  
  
A plan must be established identifying the training requirements for all employees. The plan will include safety training that is appropriate to the job being performed, as well as general safety information. Required subject matter and required training courses will be identified and provided. All accomplished training must be documented.
21. Procedures must be documented for all probable occurrences – Second Priority (B)  
  
An emergency action plan must be developed that identifies occurrences that will require specific procedures to be followed in the interest of life safety and property protection (e.g., earthquakes, floods, fires, bomb threats, and hazardous material spills or releases).
22. Plans must be coordinated with Reclamation – Second Priority (B)  
  
The concessionaire must coordinate all emergency action plans with Reclamation. The area manager will approve the plans. The plans will be reviewed annually and updated as necessary.

23. Plans will be distributed to employees or posted conspicuously – Second Priority (B)

Employees must be familiar with emergency action plans and must be aware of their individual responsibilities in implementing such plans.

The concessionaire will be evaluated according to the schedule indicated in the Operating Plan, exhibit G, by Reclamation. This will constitute the safety portion of the Safety and Environmental Evaluation. The evaluation will be based on a review of the concessionaire's safety program and will evaluate concessionaire compliance with the performance standards. The concessionaire shall provide Reclamation access to its records, including any annual statistical information that may be required by the area manager. As part of the evaluation, Reclamation personnel may conduct random on-site reviews of facilities and equipment to evaluate the effectiveness of the concessionaire's own inspection program.

## **P. FUEL STORAGE**

1. The concessionaire shall be responsible for compliance with all Federal, State, and local laws and regulations pertaining to fuel storage. The concessionaire must provide the area manager with copies of all reports and correspondence to, or required by, any regulatory agency pertaining to fuel storage. If any leak detection testing indicates a possible release or leak from a tank, Reclamation must be notified immediately; the concessionaire will be responsible for fulfilling all reporting, monitoring, and remediation requirements associated with a leak or release.
2. Reclamation must approve all plans for any work involving fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, and groundwater remediation work.

## **SECTION 4 – LAND AND FACILITIES USED IN OPERATION**

### **A. ASSIGNMENT OF LAND AND FACILITIES**

The Secretary hereby authorizes the use of the following land and concession facilities to the concessionaire for the purposes of this concession contract:

1. Certain parcels of land for operation as described in exhibit B, subchapter 2-3, upon which the concessionaire shall conduct business.

**[NOTE TO PREPARER: Use 2. and 3. below, as appropriate.]**

2. Certain Reclamation improvements described in exhibit D, subchapter 2-5, and in existence as of the effective date of this concession contract may be modified from time to time to include additional Reclamation improvements completed in accordance with the terms and conditions of this concession contract.
3. Certain concessionaire improvements described in exhibit D and in existence as of the effective date of this concession contract may be modified from time to time to include additional concessionaire improvements completed in accordance with the terms and conditions of this concession contract.

The Secretary shall have the right, at any time, to enter upon the lands used by the concessionaire for any purpose deemed reasonably necessary for the administration of Reclamation lands or the area of operation.

The Secretary may, from time to time, amend exhibit B and exhibit D to reflect changes in concession land and facilities assigned to the concessionaire.

## **B. CONCESSION FACILITIES ASSIGNMENT WITHDRAWALS**

The Secretary may withdraw all or portions of these concession facility assignments at any time during the term of this concession contract if:

- The withdrawal is necessary for the purpose of conserving, preserving, or protecting area of operation resources or visitor enjoyment or safety.
- The operations using the assigned concession facilities have been terminated or suspended by the Secretary.
- Reclamation and concessionaire improvements or land assigned to the concessionaire are no longer necessary for the concession operation.

Any permanent withdrawal of concession facilities assignments that the Secretary or the concessionaire considers to be essential for the concessionaire to provide the visitor services required by this concession contract will be treated as a termination of this concession contract pursuant to this section. The concessionaire will be compensated pursuant to this section of this concession contract and to exhibit C (subchapter 2-4) for the value of any CIR it may have, in permanently withdrawn concession facilities assignments. No other compensation is due the concessionaire in these circumstances.

## **C. RECLAMATION AND CONCESSIONAIRE IMPROVEMENTS**

“Reclamation improvement(s),” as used herein, means Government owned real property improvements constructed upon or affixed to the lands assigned to the concessionaire, including buildings, structures, fixtures, equipment, and other improvements affixed to or resting upon the assigned lands in such a manner as to be a part of the realty. Exhibit E, subchapter 2-6, contains a list of assigned Government property.

The concessionaire may not remove, dismantle, or demolish any Reclamation improvements in the area of operation without the prior approval of the Secretary.

Any salvage resulting from the authorized removal, severance, or demolition of Reclamation improvements within the area of operation shall be the property of the United States.

In the event that an assigned Reclamation improvement is removed by the concessionaire, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the concessionaire, at its expense, shall promptly, upon the request of the Secretary, restore the site as nearly as practicable to its original condition.

“Concessionaire improvement(s),” as used herein, means real property improvements provided by the concessionaire with the written approval of the Secretary for the purposes of this concession contract (including any improvements made to Reclamation improvements and improvements made from funds in the RAFI), during the term of this concession contract, including buildings, structures, fixtures, equipment, and other improvements affixed to or resting upon the assigned lands in such a manner as to be a part of the realty. Concessionaire improvements constructed upon or affixed to the lands assigned to the concessionaire do not include any interest in the land upon which the improvements are located.

The concessionaire may construct or install upon lands assigned to the concessionaire under this concession contract only those concessionaire improvements that are determined by the Secretary to be necessary and appropriate for the conduct by the concessionaire of the services required or authorized under this concession contract. Construction or installation of concessionaire improvements and associated expenditures may occur only after the written approval by the Secretary of their location, plans, and specifications. The Secretary may prescribe the form and content of the application and the procedures for such approvals. The desirability of any project, as well as the location, plans, and specifications thereof, will be reviewed in accordance with applicable laws and Reclamation Manual Policy and Directives and Standards in exhibit L, subchapter 2-13. All concessionaire improvements constructed or installed by the concessionaire will immediately become the property of the United States and be considered concession facilities. The concessionaire may not remove, dismantle, or demolish concessionaire improvements in the area of operation without the prior approval of the Secretary.

Any salvage resulting from the authorized removal, severance, or demolition of abandoned concessionaire improvements within the area of operation shall be the property of the United States. Salvage resulting from concessionaire-owned property remains the property of the subject concessionaire.

In the event that an assigned concessionaire improvement is removed, abandoned, demolished, or substantially destroyed and no other improvement is constructed on the site, the concessionaire, at its expense, shall promptly, upon the request of the Secretary, restore the site as nearly as practicable to its original condition.

Title to all Reclamation improvements and concessionaire improvements shall be vested in the United States of America and is subject to limitations as set forth in this concession contract. Any monetary interest of the concessionaire in such improvements shall not be construed to include or imply any authority, privilege, or right to operate or engage in any business or other activity. The use or enjoyment of any such structure, fixture, or improvement shall be wholly subject to the applicable provisions of this concession contract and to the laws and regulations relating to the area of operation.

#### **D. PERSONAL PROPERTY**

The concessionaire shall provide all personal property, including but not limited to removable equipment, vehicles, vessels, furniture, inventory, and goods necessary for its operations under this concession contract. Such personal property shall not be considered concessionaire improvements, and the concessionaire shall not be entitled to any reimbursement or other means of compensation for such personal property.

The Secretary may provide certain items of Government personal property, including but not limited to, removable equipment, furniture, and goods for the concessionaire's use in the performance of this concession contract. The Secretary hereby assigns Government personal property listed in exhibit E to the concessionaire as of the effective date of this concession contract. The Secretary may modify exhibit E from time to time as items are withdrawn and items are added. The concessionaire shall be accountable to the Secretary for the Government's personal property assigned to it and shall be responsible for maintaining the property as is necessary to keep it in good and operable condition, reasonable wear and tear excepted. Any replacement of such personal property provided by the concessionaire shall become the property of the Secretary. If the property ceases to be serviceable, it shall be returned to the Secretary for disposition.

The concessionaire shall be permitted to sell its personal property that is used in the concession operation, on the Federal estate, to the subsequent concessionaire. However, the concessionaire may not sell any other personal property on the Federal estate or sell on the Federal estate any of its personal property used in the concession operation to any party other than a subsequent concessionaire. The sale of personal property assets by any other parties is prohibited on the Federal estate. "For Sale" signs are strictly prohibited on the Federal estate and specifically from within the area of operation.

## **E. CONDITION OF CONCESSION FACILITIES**

The concessionaire has inspected the concession facilities and all assigned Government personal property, is thoroughly acquainted with their condition, and accepts the concession facilities and any assigned Government personal property “as is.”

## **F. UTILITIES**

The Secretary may provide utilities to the concessionaire for use in connection with the operations required or authorized under this concession contract when available and at reasonable rates reflecting the cost to provide such services and to be determined by the Secretary’s discretion and in accordance with applicable laws.

If the Secretary does not provide utilities to the concessionaire, the concessionaire shall, with the written approval of the Secretary and under any requirements that the Secretary shall prescribe, secure necessary utilities at its own expense from sources outside the area of operation or shall install the utilities within the area of operation with the written permission of the Secretary, subject to the following conditions:

Any water or water rights deemed necessary for the operation of the concession on Federal lands must be acquired in cooperation with Reclamation at the concessionaire’s expense in accordance with applicable State procedures and law. Upon expiration, bankruptcy, or termination of this concession contract for any reason, the concessionaire must assign these water rights to the United States without compensation, and these water rights will become the property of the United States.

If requested by the Secretary, the concessionaire must provide to Reclamation any utility service provided by the concessionaire for its operations to such extent as will not unreasonably restrict anticipated use by the concessionaire. Unless otherwise agreed by the concessionaire and the Secretary in writing, the rate per unit charged the Secretary for such service shall be approximately the average cost per unit of the concessionaire providing such service for its own operations.

The Secretary shall first approve all appliances and machinery to be used in connection with the privileges granted in this subsection, as well as the plans for location and installation of such appliances and machinery.

## **G. CONCESSION FACILITIES IMPROVEMENT PROGRAM**

The concessionaire shall undertake and complete an improvement program, hereinafter “Concession Facilities Improvement Program,” or “CFIP,” that indirectly benefits the

public, costing not less than **[NOTE TO PREPARER: Complete the following blank with the amount]** \_\_\_\_\_ dollars as adjusted for each project to reflect par value in the year of actual construction in accordance with the appropriate consumer price index.

The CFIP shall include:

**[NOTE TO PREPARER: Provide a detailed description of the CFIP. Use the same detailed description used in the feasibility study. The wording should include the specifications of the required improvements, any descriptions of comparable facilities used (e.g., Denny’s Restaurant, Comfort Inn), and cost estimates. The CFIP should also specify the locations for the improvements, identify any facilities to be removed or demolished, and identify any sites to be restored to their native habitat or landscaped, and all related costs. If there will be multiple improvements, each with different dates for commencement and completion, include these dates in this section.]** The concessionaire shall commence construction under the CFIP on or before **[NOTE TO PREPARER: When multiple improvements with varying commencement dates are listed in the section above, complete the following blank with the earliest of those commencement dates]** \_\_\_\_\_, 20\_\_\_\_, in a manner that demonstrates to the satisfaction of the Secretary that the concessionaire is in good faith reasonably carrying forward the CFIP. No construction may begin until the concessionaire receives written approval from the Secretary of plans and specifications in accordance with exhibit H, subchapter 2-9. Only the concessionaire may commence construction of improvements and may not authorize anyone else, including visitors, to construct anything. During the period of construction, the concessionaire shall provide the Secretary with such evidence or documentation as may be satisfactory to the Secretary to demonstrate that the CFIP is being duly carried forward.

The concessionaire shall complete the real property improvements and make them available for public use on or before \_\_\_\_\_, 20\_\_\_\_. **[NOTE TO PREPARER: When various completion dates are listed above for multiple improvements, complete this blank with the last of those completion dates.]** The Secretary may extend this date in circumstances where the Secretary determines that the delay resulted from events beyond the control of the concessionaire.

At the discretion of the Secretary, the concessionaire may be relieved in whole or in part of any or all of the obligations of the CFIP for such stated periods when documented circumstances beyond either the concessionaire’s control or Reclamation’s control warrant such relief.

## **H. MAINTENANCE PLAN AND MAINTENANCE OBLIGATION**

The concessionaire shall be solely responsible for the physical maintenance, repairs, housekeeping, groundskeeping, and landscaping of all concession facilities used in operations under this concession contract, to the satisfaction of the Secretary.

For these purposes, the concessionaire shall undertake appropriate inspections and shall establish and revise, as necessary, a Maintenance Plan consisting of specific maintenance requirements that shall be adhered to by the concessionaire. The initial Maintenance Plan is set forth in exhibit F, subchapter 2-7. The Maintenance Plan shall be submitted to the Secretary for annual approval. The Secretary may make reasonable modifications to the Maintenance Plan from time to time after consultation with the concessionaire. Such modifications shall be in furtherance of the purposes of this concession contract and shall not be inconsistent with the terms and conditions of the main body of this concession contract.

## **I. RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT**

**[NOTE TO PREPARER: Insert the following text (from this point until the bracketed word “END” appears) only if Reclamation will guarantee the concessionaire the right to compensation or CIR. If this contract does not include a right to a CIR, the preparer should insert the second section of text. See exhibit C, subchapter 2-4.]**

The concessionaire shall establish and manage a “Reserve Account for Facilities Improvement” or “RAFI,” in which RAFI funds shall be used to carry out, on a project basis in accordance with exhibits C, D, F, H, and K, improvements, construction, and repair and maintenance of concession facilities that are nonrecurring within a 7-year timeframe. Such projects shall include those specified in the CFIP and may also include repair or replacement of foundations, building frames, window frames, roof sheathing, subfloors, and drainage and the rehabilitation of building systems such as electrical, plumbing, built-in heating, air conditioning, and similar projects. The concessionaire will carry out projects directed by the Secretary. No projects may commence and no associated expenditures may be made until the concessionaire receives written approval from the Secretary.

Projects paid for with RAFI funds will not include routine, operational maintenance of facilities or housekeeping, landscaping, and grounds-keeping activities. Nothing in this section shall lessen the responsibility of the concessionaire to carry out the maintenance and repair of concession facilities or housekeeping and grounds-keeping activities as required by this concession contract from concessionaire funds exclusive of the funds contained in the RAFI. Each month, the concessionaire shall submit monthly RAFI activity reports to Reclamation. Each year, the concessionaire shall include in its annual financial report submitted to Reclamation a reserve account annual reconciliation as detailed in exhibit K of this concession contract.

The concessionaire shall establish an interest bearing banking account to receive deposits for the RAFI. The RAFI funds and interest accrued from those funds are a contractually designated direct benefit to the Government for the use, rights, and privileges granted in this concession contract.



**[NOTE TO PREPARER: The periodic monthly RAFI deposits can be expressed either (1) as a percentage of concessionaire’s gross receipts, (2) as a fixed monthly dollar amount, or (3) as both a percentage of gross receipts and a fixed dollar amount. The fee structure should have been determined in the feasibility study. Choose the appropriate contract wording below.]**

RAFI deposits shall be made monthly by the concessionaire as a [percentage of the concessionaire’s gross receipts or as a fixed amount.]

**[NOTE TO PREPARER: Upon inception of this concession contract, the concessionaire will not only have to establish a RAFI account but may also need to make a deposit into that account if the previous concessionaire had a positive balance in its RAFI account at contract expiration. In that case, the remaining RAFI balance would have been taken by the previous concessionaire. Therefore, the previous CFIP may be incomplete and need to be carried over into this new contract. Had the improvements been made by the former concessionaire, the new concessionaire would have had to pay that contractor for its CIRs. So instead, Reclamation will require a similar payment to be made into the RAFI account for the new concessionaire. If so, use the following wording:**

**The concessionaire shall deposit into this RAFI, within 15 days after signing the contract, a sum equal to \$\_\_\_\_\_ (\_\_\_\_\_ dollars).]**

**[NOTE TO PREPARER: If the previous concessionaire wins this (succeeding) concession contract, the former RAFI balance should be deposited into the new RAFI account. So the same wording above should be used. If there is no remaining balance in the previous concessionaire’s RAFI, omit the wording above.]**

**The concessionaire shall deposit into this RAFI, within 15 days after the last day of each month of concessionaire operations, a sum equal to \_\_\_\_\_ percent (\_\_\_\_\_ %) of the concessionaire’s gross receipts for the previous month.**

**[AND/OR]**

**The concessionaire shall [also] deposit into this RAFI, within 15 days after the last day of each month of concessionaire operations, the fixed amount of \$\_\_\_\_\_ (\_\_\_\_\_ dollars)**

**[NOTE TO PREPARER: Include the following wording when an initial balance is required.]**

If the concessionaire fails to make timely deposits to the RAFI [**or fails to deposit the initial required balance**], the Secretary may terminate this concession contract for default.

The balance in the RAFI shall be available exclusively for funding projects in accordance with the RAFI's purpose. For all expenditures made for each project from the RAFI, the concessionaire shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Secretary. Failure to expend RAFI funds when directed and as scheduled by the Secretary shall be considered as a material breach of this concession contract for which the Secretary may seek monetary damages and other legal relief including, without limitation, termination of this concession contract.

The concessionaire shall obtain a CIR for improvements made with RAFI funds.

In the event that the existing concession contract is extended through an amendment, the existing unexpended RAFI funds in the RAFI account at the end of this concession contract shall remain in the RAFI account as the RAFI fund balance for the extension to this concession contract.

The value of any RAFI funds not duly expended by the concessionaire by the end of this concession contract shall be deducted from the CIR value due and payable to the concessionaire, subject to otherwise applicable terms and conditions of this concession contract.

In the event of termination for bankruptcy or for any other reason or for expiration of an alternate term as a result of failure to complete the CFIP, any unexpended RAFI funds shall become the property of the United States of America.

**[END]**

**[NOTE TO PREPARER: Insert the following text (from this point until the bracketed word "END" appears) only if the concessionaire will not have any right to reimbursement.]**

The concessionaire shall establish and manage, hereafter, a "Reserve Account for Facilities Improvement," or "RAFI," in which RAFI funds shall be used to carry out, on a project basis in accordance with exhibits C, D, F, H, and K, improvements, construction, and repair and maintenance of concession facilities that are nonrecurring within a 7-year timeframe. Such projects shall include those specified in the CFIP and may also include repair or replacement of foundations, building frames, window frames, roof sheathing, subfloors, and drainage and the rehabilitation of building systems such as electrical, plumbing, built-in heating, air conditioning, and similar projects. The concessionaire will carry out projects directed by the Secretary. No projects may commence and no associated expenditures be made until the concessionaire receives written approval from the Secretary.

Projects paid for with RAFI funds will not include routine, operational maintenance of facilities or housekeeping, landscaping, and grounds-keeping activities. Nothing in this section shall lessen the responsibility of the concessionaire to carry out the maintenance and repair of concession facilities or housekeeping and grounds-keeping activities as

required by this concession contract from concessionaire funds exclusive of the funds contained in the RAFI. Each month, the concessionaire shall submit monthly RAFI activity reports to Reclamation. Each year, included in its annual financial report submitted to Reclamation, the concessionaire shall submit a reserve account annual reconciliation detailed in exhibit K of this concession contract.

The concessionaire shall establish an interest-bearing banking account to receive deposits for the RAFI. The RAFI funds are a contractually designated direct benefit to the Government for the use, rights, and privileges granted in this concession contract.

**[NOTE TO PREPARER: The periodic monthly RAFI deposits can be expressed as (1) a percentage of concessionaire's gross receipts, (2) as a fixed monthly dollar amount, or as (3) both a percentage of gross receipts and a fixed dollar amount. The fee structure should have been determined in the feasibility study. Choose the appropriate contract wording below.]**

RAFI deposits shall be made monthly by the concessionaire as a [percentage of the concessionaire's gross receipts or as a fixed amount].

**[NOTE TO PREPARER: Choose from the following wording. Insert the first section if the RAFI deposits will be based on a percentage of concessionaire gross receipts. Insert the second section if the RAFI deposits will be a fixed amount. In some cases, it may be necessary to include both sections. This should be determined by the feasibility study.]**

The concessionaire shall deposit into this RAFI, within 15 days after the last day of each month of concessionaire operations, a sum equal to \_\_\_\_\_ percent (\_\_\_ %) of the concessionaire's gross receipts for the previous month.

**[AND/OR]**

The concessionaire shall [also] deposit into this RAFI, within 15 days after the last day of each month of concessionaire operations, the fixed amount of \$ \_\_\_\_\_ (\_\_\_\_\_ dollars).

**[NOTE TO PREPARER: Upon inception of this concession contract, the concessionaire will have to establish a RAFI account. The concessionaire will need to make deposits into the RAFI as determined by the feasibility study and specified in this concession contract. The concessionaire may need to make an initial deposit into the RAFI to begin a CFIP or to complete a CFIP that was undertaken by the previous concessionaire. If an initial payment into the RAFI will be required, use the following wording.]**

The concessionaire shall deposit into this RAFI, within 15 days after signing the contract, a sum equal to \$ \_\_\_\_\_ (\_\_\_\_\_ dollars).

If the concessionaire fails to make timely deposits to the RAFI (or fails to deposit the initial required balance), the Secretary may terminate this concession contract for default.

The balance in the RAFI shall be available exclusively for funding projects in accordance with the RAFI's purpose. For all expenditures made for each project from the RAFI, the concessionaire shall maintain auditable records including invoices, billings, canceled checks, and other documentation satisfactory to the Secretary. Failure to expend RAFI funds when directed and as scheduled by the Secretary shall be considered a material breach of this concession contract for which the Secretary may seek monetary damages and other legal relief including, without limitation, termination of this concession contract.

In the event that the existing concession contract is extended through an amendment, the existing unexpended RAFI funds in the RAFI account at the end of this concession contract shall remain in the RAFI account as the RAFI fund balance for the extension to this concession contract.

The value of any RAFI funds not duly expended by the concessionaire by the end of this concession contract shall become property of the United States of America and shall be surrendered to Reclamation within 15 days of the expiration or termination of this concession contract.

In the event of termination for any reason or expiration of an alternate term as a result of failure to complete the CFIP, any unexpended RAFI funds shall become the property of the United States of America.

**[END]**

## **J. LIVESTOCK AND FARM ANIMALS**

Livestock or farm animal breeding or grazing is prohibited within the area of operation. Animals used in an authorized concession service shall be identified and specifically listed in exhibit E, subchapter 2-6. These authorized concession service animals will be corralled or penned at a designated location when not in use. All other farm animals, domestic fowl, or feral animals or fowl are prohibited within the area of operation. In the event that animals are necessary for the operation of the concession, the area manager will be informed in writing of the purpose, type, and number of species before requesting approval by the Secretary.

The concessionaire is allowed to accommodate clients and visitors with domestic pets or livestock provided that adequate, safe, and sanitary corrals and pens are provided. To protect the health and safety of the animals, employees, and visitors, animals and livestock will not be allowed to freely roam the area of operation or the Federal estates. Reclamation, at any time, may require that the concessionaire have inspections by a licensed veterinarian.

## SECTION 5 – COMPENSATION

### A. REIMBURSEMENT FOR INVESTMENTS IN FIXED ASSETS CONSTRUCTED BY CONCESSIONAIRE

**[NOTE TO PREPARER: Insert the first section of text (from this point until the bracketed word “END” appears) if Reclamation will guarantee reimbursement for fixed assets constructed by the concessionaire. If Reclamation denies the right to reimbursement in the concession contract, the preparer should insert the second section of text. Please refer to the guidelines for a more detailed discussion of this topic.]**

This concession contract hereby provides the concessionaire, subject to all applicable definitions, requirements, and limitations of this concession contract and exhibit C, the right to reimbursement for concessionaire improvements constructed by the concessionaire under the terms of this concession contract, including, but not limited to, those capital improvements that result from the construction, improvement, or repair of an existing Reclamation improvement or concessionaire improvement.

This concession contract specifies the concessionaire’s right to reimbursement in Real Property improvements. Exhibits C and D describe the Real Property improvements in which the concessionaire has such a right and states the value of this reimbursement as of the effective date of this concession contract. The concessionaire shall not receive reimbursement under this concession contract except as described in exhibits C, D, H, and K of this concession contract. Reimbursement shall be obtained as a result of expenditures by the concessionaire of concessionaire funds or from RAFI funds described in this concession contract section 4 J and exhibit K. The concessionaire shall obtain reimbursement only in improvements approved by the Secretary.

The amount of reimbursement shall be determined by the original cost of the fixed asset or capital improvement less depreciation. The concessionaire must obtain the approval of Reclamation before beginning construction. This written approval shall specify the amount of money to be spent to construct or rehabilitate the fixed asset, the allowed depreciable life of the improvement, and the construction details and schedule. Depreciation shall be calculated according to IRS schedules.

If the concessionaire named in this concession contract is awarded the subsequent concession contract, it will receive no CIR at the time of contract expiration. Instead, the concessionaire shall retain the CIR until the expiration of the next concession contract.

The value of reimbursement will, under no circumstances, exceed the fair market value of the fixed asset or capital improvement. The fair market value is determined as the discounted net present value of the concession’s future income stream associated exclusively with the capital investments for which the concessionaire will be reimbursed.

The compensation provided by this section shall constitute full and just compensation to the concessionaire from the Secretary for all losses and claims occasioned by the circumstances described below.

[END]

**[NOTE TO PREPARER: Insert the following text (from this point until the bracketed word “END” appears) if the concessionaire will not have the right to reimbursement for fixed assets or capital improvements.]**

The concessionaire does not have a right to compensation for expenditures on fixed asset improvements.

[END]

## **B. CONDITIONS OF REIMBURSEMENT**

**[NOTE TO PREPARER: Insert the first section of text if Reclamation wishes to give the concessionaire the right to reimbursement.]**

When this concession contract expires, the concessionaire shall be compensated according to section 5 A of the concession contract. When paid such value, the concessionaire shall relinquish any claim to reimbursement.

In the event this concession contract is terminated due to concessionaire default or expires on the alternate term date as a result of failure to complete the CFIP, the concessionaire shall forfeit and not receive any reimbursement for its investment in fixed assets or improvements.

If, for any reason, including concession contract expiration, termination for bankruptcy, or termination for any other reason, the concessionaire shall cease to be authorized by the Secretary to conduct operations under this concession contract. At the discretion of the Secretary, the concessionaire may be required to remove any or all improvements and personal property and to restore the area of operation to a satisfactory condition as approved by the Secretary. Removal of the concessionaire’s improvements or other property and cleanup of the area of operation will be the responsibility of the concessionaire and is not compensable. The Secretary shall specify a time period within which the concessionaire shall remove such improvements or other property and clear or restore the area of operation. All improvements or other property not removed within the time period specified will be considered abandoned and will automatically become property of the United States of America without compensation to the concessionaire and will be subject to disposal under Federal regulations. Any required removal of abandoned improvement property, personal property, and cleanup work remaining after the period specified will be performed by Reclamation, and the concessionaire shall be liable for all associated costs.

**[NOTE TO PREPARER: Insert the following text if the concessionaire has no guaranteed right to reimbursement.]**

The concessionaire has no right to compensation or reimbursement for expenditures on capital improvements or fixed assets.

### **C. COMPENSATION FOR PERSONAL PROPERTY**

No compensation is due the concessionaire from the Secretary or a successor concessionaire for the concessionaire's personal property used in operations under this concession contract. However, the Secretary or a successor concessionaire may wish to purchase such personal property from the concessionaire. If personal property is sold, the purchase price of the personal property shall be determined by mutual agreement between the concessionaire holding this concession contract and the successor concessionaire or Secretary.

Personal property not removed from the area by the concessionaire in accordance with the terms of this concession contract shall be considered abandoned property subject to disposition by the Secretary, at full cost and expense of the concessionaire, in accordance with applicable laws. Any cost or expense incurred by the Secretary as a result of such disposition may be offset from any amounts owed to the concessionaire by the Secretary to the extent consistent with applicable laws.

## **SECTION 6 – FEES**

**[NOTE TO PREPARER: Franchise fees are considered direct returns to the Government and are paid directly to the U.S. Treasury, credited in accordance with the Directives and Standards in the Crediting of Incidental Revenues, PEC 03-01. Prepare and submit the Collection Information Form with monies collected after determining the Collection Information Code (CIC) from the CIC Tables in the Revenue Management Reference Manual.]**

### **A. FRANCHISE FEE**

**[NOTE TO PREPARER: The franchise fee can be expressed as either a single fixed percentage of gross receipts over the entire term of the contract, or it may be expressed as an increasing percentage corresponding to ranges of increasing revenues (referred to as a staggered or tiered fee structure). Note, however, that the franchise fee should not be structured as a tiered fee unless a feasibility study is performed and annual revenues are projected for the entire duration of the contract term. Without estimates of expected future gross receipts, the evaluation team will be unable to compare competing franchise fee proposals. When entering the franchise fee and annual gross receipt numbers, write them both numerically and by spelling the words out in English to make sure there is no misunderstanding.]**

**[For the term of this concession contract, the concessionaire shall pay to the Secretary, for the use, rights, and privileges granted under this concession contract, a franchise fee equal to \_\_\_\_\_ percent (\_\_\_\_ %) of the concessionaire's gross receipts for the preceding year or portion of a year.]**

**[OR]**

**[For the term of this concession contract, the concessionaire shall pay to the Secretary, for the use, rights, and privileges granted under this concession contract, a franchise fee. The franchise fee shall be equal to:**

\_\_\_\_\_ percent (\_\_\_\_ %) of the concessionaire's gross receipts less than \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) for the year,

\_\_\_\_\_ percent (\_\_\_\_ %) of the concessionaire's receipts between \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) and \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) for the year,

\_\_\_\_\_ percent (\_\_\_\_ %) of the concessionaire's gross receipts between \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) and \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) for the year,

\_\_\_\_\_ percent (\_\_\_\_ %) of the concessionaire's gross receipts more than \$ \_\_\_\_\_ (\_\_\_\_\_ dollars) for the year.]

The franchise fee is a direct return to the Federal Government and is a fair and equitable charge levied by the Government for the use, rights, and privileges granted under this concession contract. The franchise fee shall be credited to the U.S. Treasury in accordance with Reclamation directives and standards in exhibit L.

Neither the concessionaire nor the Secretary shall have a right to adjust the fees in this concession contract. The concessionaire has no right to a waiver of the franchise fee under any circumstances.

## **B. PAYMENTS DUE**

The franchise fee shall be due on a monthly basis at the end of each month and shall be paid by the concessionaire in such a manner that the Secretary shall receive payment within 15 days after the last day of each month that the concessionaire operates the concession enterprise. The concessionaire shall pay any additional franchise fee amounts due at the end of the concessionaire's fiscal year as a result of adjustments to gross receipts determined at the time of submission of the concessionaire's annual financial report. Overpayments shall be offset against the following year's fees. In the



event of termination, bankruptcy, or expiration of this concession contract, overpayments will first be credited against any money due and owing the Government, and the remainder, if any, will be returned to the concessionaire.

The concessionaire shall use the Treasury Financial Communications System and shall electronically deposit all franchise fee payments consisting of \$10,000 or more.

### **C. INTEREST**

An interest charge will be assessed on overdue amounts for each 30 day period, or portion thereof, that payment is delayed beyond the 15 day period provided for above. The percent of interest charged will be equal to the current value of funds rate to the U.S. Treasury as published quarterly in the Treasury Financial Manual. The Secretary may also impose penalties for late payment to the extent authorized by applicable law.

## **SECTION 7 – INSURANCE AND INDEMNIFICATION**

### **A. INDEMNIFICATION**

The concessionaire agrees to assume liability for and does hereby agree to save, hold harmless, protect, defend, and indemnify the United States of America, its agents, and its employees from and against any and all liabilities, obligations, losses, damages or judgments, including but not limited to, penalties and fines, claims, actions, suits, costs and expenses (including but not limited to attorneys' fees and experts' fees) of any kind and nature whatsoever on account of fire or other peril, bodily injury, death, or property damage, or claims for bodily injury, death, or property damage of any nature whatsoever and by whomsoever made, in any way connected with or arising out of the activities of the concessionaire, its employees, agents, subcontractors, or contractors under this concession contract. This indemnification shall survive the termination, bankruptcy, or expiration of this concession contract.

### **B. INSURANCE IN GENERAL**

The concessionaire shall obtain and maintain during the entire term of this concession contract, at its sole cost and expense, the types and amounts of insurance coverage necessary to fulfill the obligations of this concession contract and exhibit I, subchapter 2-10, subject to the approval of the Secretary. The initial insurance requirements are set forth below and in exhibit I. Any changes or additional requirements that the Secretary determines necessary must be reasonable and consistent with the types and coverage amounts of insurance a prudent businessperson would purchase in similar circumstances. Before signing the concession contract, the concessionaire shall report to the Secretary, and the Secretary shall approve, the types and amounts of insurance

coverage to be purchased by the concessionaire. The concessionaire shall purchase such insurance to be effective as of the date of signing the concession contract.

The Secretary will not be responsible for any omissions or inadequacies of insurance coverage and amounts in the event the insurance purchased by the concessionaire proves to be inadequate or otherwise insufficient for any reason whatsoever.

### **C. CERTIFICATE OF INSURANCE AND CERTIFICATE OF ENDORSEMENT**

At the request of the Secretary, the concessionaire shall, at the time insurance is first purchased and annually thereafter, provide the Secretary with a Certificate of Insurance that accurately details the conditions of the policy as evidence of compliance with this section. The concessionaire shall provide the Secretary immediate written notice of any material change in the concessionaire's insurance program hereunder, including without limitation, cancellation of any required insurance coverage. Furthermore, the concessionaire will provide Reclamation with a Certificate of Insurance and Certificate of Endorsement (COE) through the insurance company. The insurance company's COE will provide Reclamation with notice of policy change or cancellation. Reclamation will be an "additional Named Insured" on all insurance policies.

### **D. COMMERCIAL PUBLIC LIABILITY**

The concessionaire shall provide commercial general liability insurance against claims arising out of or resulting from the acts or omissions of the concessionaire or its employees, agents, or contractors in carrying out the activities and operations required or authorized under this concession contract. This insurance shall be in the amount commensurate with the degree of risk and the scope and size of the activities required or authorized under this concession contract, as more specifically set forth in exhibit I. Furthermore, the commercial general liability package shall provide no less than the coverage and limits described in exhibit I. All liability policies shall specify that the insurance company shall have no right of subrogation against the United States of America and shall provide that the United States of America is named an additional insured.

From time to time, as conditions in the insurance industry warrant, the Secretary may, at the Secretary's discretion, modify exhibit I to revise the minimum required limits or to require additional types of insurance, provided that any additional requirements must be reasonable and consistent with the types of insurance a prudent businessperson would purchase in similar circumstances.

## **E. PROPERTY INSURANCE**

In the event of damage or destruction, the concessionaire will repair or replace those concession facilities and the personal property used by the concessionaire in the performance of the concessionaire's obligations under this concession contract.

For this purpose, the concessionaire shall provide fire and extended insurance coverage on concession facilities for all or part of their replacement cost, as specified in exhibit I, in amounts no less than the Secretary may require during the term of the concession contract. The minimum values currently in effect are set forth in exhibit I. This exhibit will be revised at least every 3 years, or sooner if there is a substantial increase in value.

Commercial property insurance shall provide for the concessionaire and the United States of America to be named insured as their interests may appear.

In the event of loss, the concessionaire shall use all proceeds of such insurance to repair, rebuild, restore, or replace concession facilities and personal property used in the concessionaire's operations under this concession contract as directed by the Secretary. Policies may not contain provisions limiting insurance proceeds to in situ replacement. The lien provision of section 7 G shall apply to such insurance proceeds. The concessionaire shall not be relieved of its obligations because insurance proceeds are not sufficient to repair or replace damaged or destroyed property.

Insurance policies that cover concession facilities shall contain a loss payable clause approved by the Secretary that requires insurance proceeds to be paid directly to the concessionaire without requiring endorsement by the United States. The use of insurance proceeds for repair or replacement of concession facilities will not alter their character as properties of the United States. Notwithstanding any provision of this concession contract to the contrary, the concessionaire shall gain no ownership or other compensable interest as a result of the use of these insurance proceeds. The concessionaire's CIR, if any, will be limited to the value which the concessionaire would otherwise have obtained less any costs to the Government necessitated by the use of insurance to repair or replace concession facilities.

The commercial property package shall include the coverage and amounts described in exhibit I.

## **F. BONDS**

The Secretary may require the concessionaire to furnish appropriate forms of bonds in amounts reasonable in the circumstances and acceptable to the Secretary to ensure faithful performance of the concessionaire's obligations under this concession contract. At the discretion of the Secretary, a surety or performance bond by the concessionaire may be requested at any time. Surety or performance bonds, in the following amount(s), will be required of the concessionaire:

\$ \_\_\_\_\_ ( \_\_\_\_\_ dollars)  
\$ \_\_\_\_\_ ( \_\_\_\_\_ dollars)

**[NOTE TO PREPARER: Fill in the appropriate amount(s) above.]**

The concessionaire shall be required to furnish a contractor's completion bond or other insurance acceptable to the Secretary in connection with the construction of improvements, including but not limited to the CFIP and those projects undertaken using funds from the RAFI, required under this concession contract.

## **G. LIEN**

As additional security for the faithful performance by the concessionaire of its obligations under this concession contract and the payment to the Government of all damages or claims that may result from the concessionaire's failure to observe any such obligations, the Government shall have at all times the first lien on all assets of the concessionaire within the area of operation, including, but not limited to, all personal property of the concessionaire used in performance of the concession contract hereunder within the area of operation and any CIR of the concessionaire.

# **SECTION 8 – ACCOUNTING RECORDS AND REPORTS**

## **A. ANNUAL FINANCIAL REPORTS AND ACCOUNTING SYSTEM**

The concessionaire shall maintain a financial accounting system under which its accounts can be readily identified with its system of accounts classification. Such an accounting system shall be capable of providing the information required by this concession contract, including, but not limited to, the concessionaire's RAFI obligations. The concessionaire's system of accounts classification shall use, without exception and without modification, the concessionaire annual financial report form issued by the Secretary in exhibit J, subchapter 2-11, in this concession contract.

If the concessionaire's annual gross receipts are \$250,000 or more, the concessionaire must use the accrual accounting method. If annual gross receipts are less than \$250,000, the financial statements may be prepared without involvement of an independent certified public accountant (CPA), unless otherwise directed by the Secretary.

In computing net profits for any purposes of this concession contract, the concessionaire shall keep its accounts in such manner that there can be no diversion or concealment of profits or expenses in the operations authorized under this concession contract by means of arrangements for the procurement of equipment, merchandise, supplies, or services from sources controlled by or under common ownership with the concessionaire or by any other device including, but not limited to, management fees.

The concessionaire shall submit annually, as soon as possible but not later than 120 days after the last day of its fiscal year, a financial statement for the preceding fiscal year or portion of a year, as prescribed by the Secretary in the Financial Reporting Form in exhibit J (subchapter 2-11).

If the annual gross receipts of the concessionaire are in excess of \$1,000,000, the financial statements shall be audited by an independent CPA in accordance with Generally Accepted Auditing Standards and procedures promulgated by the American Institute of Certified Public Accountants (AICPA).

If annual gross receipts are between \$250,000 and \$1,000,000, the financial statements shall be reviewed by an independent CPA in accordance with Generally Accepted Auditing Standards and procedures promulgated by the AICPA.

## **B. BALANCE SHEET**

Within 90 days after the execution of this concession contract or its effective date, whichever is later, the concessionaire shall submit to the Secretary a balance sheet (exhibit J, subchapter 2-11 [Schedule B]) as of the beginning date of the term of this concession contract. The balance sheet shall be audited or reviewed, as determined by the annual gross receipts, by an independent CPA. The balance sheet shall be accompanied by a schedule that identifies and provides details for all capital improvements in which the concessionaire claims a CIR. The schedule (Schedule M, "Capital Investment Recovery Assets") must describe these capital improvements in detail and show, for each such capital improvement, the date acquired, constructed, or installed and a separate itemization of labor costs and equipment costs, without alteration and without modification, as provided in exhibit J.

## **C. OTHER REPORTING REQUIREMENTS**

The following describes certain other reports required under this concession contract:

### **1. Reserve Account Reconciliation**

The reserve account reconciliation shall be received by the Secretary within 15 days after the last day of each month that the concessionaire operates. The concessionaire is required to follow the monthly RAFI activity report form in exhibit K, subchapter 2-12, without alteration and without modification. The concessionaire shall submit annually, not later than 120 days after the end of the concessionaire's accounting year, a statement reflecting total activity in the RAFI for the preceding accounting year. The concessionaire is required to follow the Reserve Account Annual Reconciliation Schedule, Schedule N in exhibit J, without alteration and without modification.

## **2. Insurance Certification**

The concessionaire shall, at the request of the Secretary, provide the Secretary with a Certificate of Insurance for all insurance coverage related to its operations under this concession contract. The concessionaire shall give the Secretary immediate written notice of any material change in its insurance program, including without limitation, any cancellation of required insurance coverage.

## **3. Environmental and Risk Management Reporting**

The concessionaire shall submit environmental and risk management reports as specified in section 3 of this concession contract and including, but not limited to, exhibit M, and as otherwise required by the Secretary under the terms of this concession contract.

## **4. Miscellaneous Reports and Data**

The Secretary, from time to time, requires the concessionaire to submit other reports and data regarding its performance under the concession contract or otherwise, including, but not limited to, the Recreational Use Data Report and the Concession Use Data Report.

# **SECTION 9 – GENERAL PROVISIONS**

## **A. ACCESS TO RECORDS**

The Secretary and Comptroller General of the United States, or any of their duly authorized representatives, shall have access to the records of the concessionaire as provided by the terms of applicable laws.

## **B. PUBLIC RELEASE OF INFORMATION**

The Secretary requires that all information to be submitted by the concessionaire pursuant to this concession contract be subject to public release by the Secretary to the extent provided by applicable laws.

### **C. No SUBCONCESSIONS**

Subconcessions or other third party agreements, including management agreements, for the provision of visitor services required or authorized under this concession contract are not permitted.

### **D. NONENTITLEMENT FOR FEDERAL PROCUREMENT PROCESS OR SERVICE**

The concessionaire is not entitled to be awarded or to have negotiating rights to any Federal procurement or service contract by virtue of any provision of this concession contract.

### **E. PAYMENT OF TAXES**

All taxes or assessments of any nature that may be lawfully imposed by any State or its political subdivisions upon the property or business of the concessionaire shall be paid promptly by the concessionaire.

### **F. POLITICAL INFLUENCE AND CONFLICT OF INTEREST**

No member of the judicial, legislative, or executive branches of the United States Government shall be admitted to any share or part of this concession contract or to any benefit that may arise from this concession contract, but this restriction shall not be construed to extend to this concession contract if made with a corporation or company for its general benefit.

### **G. DEBARMENT AND SUSPENSION**

This concession contract is subject to the provisions of 43 CFR; Subtitles A and B, concerning nonprocurement debarment and suspension. The Secretary may recommend that the concessionaire be debarred or suspended in accordance with the requirements and procedures described in those regulations as they are in effect now or may be revised in the future.

### **H. AMENDMENTS**

This concession contract contains the sole and entire agreement of the parties. No oral representations of any nature form the basis of or may amend this concession contract. This concession contract may be amended only in very unusual circumstances when agreed to in writing by the Secretary and the concessionaire.

**I. THIRD PARTIES**

This concession contract does not grant rights or benefits of any nature to any third party.

**J. VALIDITY OF PROVISIONS**

The invalidity of a specific provision of this concession contract shall not affect the validity of the remaining provisions of this concession contract.

**K. WAIVERS**

A waiver by the Secretary or the concessionaire of any breach of any of the terms of this concession contract by the other party shall not be deemed to be a waiver or elimination of such terms or of any subsequent breach of the same type or of any other term of the concession contract. The subsequent acceptance of any payment of money or other performance required by this concession contract shall not be deemed to be a waiver of any preceding breach of any term of the concession contract.

**L. CORRUPTION AND FRAUD**

Claims against the Secretary (to the extent subject to 28 U.S.C. 2514) arising from this concession contract shall be forfeited to the Secretary by any person who corruptly practices or attempts to practice any fraud against the United States in the proof, statement, establishment, or allowance thereof within the meaning of 28 U.S.C. 2514.

**M. REQUIRED REPORTS, DOCUMENTS, AND DATA**

The concessionaire shall supply to Reclamation all reports, documents, and data required by this concession contract in accordance with Reclamation Manual Policy and Directives and Standards.



**IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this concession contract as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.**

**CONCESSIONAIRE**

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Secretary

Company Name: \_\_\_\_\_

Bureau of Reclamation

**CORPORATIONS ATTEST**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**SOLE PROPRIETORSHIP**

Witnesses: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Title: \_\_\_\_\_

**PARTNERSHIP**

**CONCESSIONAIRE**

Witnesses as to each:

Name: \_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

(Signature)

Name: \_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

(Signature)

## EXHIBITS TO THE CONTRACT

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## **SUBCHAPTER 2-2 – EXHIBIT A: NONDISCRIMINATION AND ACCESSIBILITY**

### **SECTION 1 – REQUIREMENTS RELATING TO EMPLOYMENT AND SERVICE TO THE PUBLIC**

#### **A. EMPLOYMENT**

During the performance of this concession contract, the concessionaire agrees to the following:

1. The concessionaire will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or disabling condition. The concessionaire will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, national origin, or disabling condition. Such action shall include, but not be limited to, the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The concessionaire agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Secretary of the Interior setting forth the provision of this nondiscrimination clause.
2. The concessionaire will, in all solicitations or advertisements for employees placed by or on behalf of the concessionaire, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, national origin, or disabling condition.
3. The concessionaire will send a notice to each labor union or representative of workers with which the concessionaire has a collective bargaining agreement or other contract or understanding. The notice will be provided by the Secretary of Labor, advising the labor union or workers' representative of the concessionaire's commitments under Section 202 of Executive order (E.O.) No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. Within 120 days of the commencement of a contract, every Government contractor holding a contract that generates gross receipts that exceed \$50,000 and having 50 or more employees shall prepare and maintain an Affirmative Action Program Plan at each establishment that shall set forth the contractor's policies, practices, and procedures in accordance with the Affirmative Action Program requirement.

5. The Affirmative Action Program Plan is to be filed by the concessionaire with the Office of Federal Contract Compliance Programs (OFCCP). The Affirmative Action Program Plan will be deemed to have been accepted by the Government at the time the appropriate OFCCP field, area, regional, or national office has accepted such plan unless, within 45 days thereafter, the director of the OFCCP has disapproved such plan.
6. The concessionaire will comply with all provisions of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.
7. The concessionaire will furnish all information and reports required by E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to the concessionaire's books, records, and accounts by the Secretary of the Interior and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
8. In the event of the concessionaire's noncompliance with the nondiscrimination clauses of this concession contract or with any of such rules, regulations, or orders, this concession contract may be canceled, terminated, or suspended in whole or in part, and the concessionaire may be declared ineligible for further Government concession contracts in accordance with procedures authorized in E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
9. The concessionaire will include the provisions of paragraphs (1) through (7) in every purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, so that such provisions will be binding upon each vendor. The concessionaire will take such action with respect to any purchase order as the Secretary of Labor may direct as a means of enforcing such provisions, including sanctions for noncompliance, provided, however, that in the event the concessionaire becomes involved in, or is threatened with, litigation with a vendor as a result of such direction by the Secretary of Labor, the concessionaire may request the United States to enter into such litigation to protect the interests of the United States.

## **B. CONSTRUCTION, REPAIR, AND SIMILAR CONTRACTS**

The preceding provisions A(1) through A(8) governing performance of work under this concession contract, as set out in Section 202 of E.O. No. 11246 of September 24, 1965, as amended by E.O. No. 11375 of October 13, 1967, shall be applicable to this concession contract and shall be included in all contracts executed by the concessionaire for the performance of concession, repair, and similar work contemplated by this concession contract, and for that purpose the term “concession contract” shall be deemed to refer to this instrument and to contracts awarded by the concessionaire, and the term “concessionaire” shall be deemed to refer to the concessionaire and to contractors awarded contracts by the concessionaire.

## **C. FACILITIES**

### **1. Definitions as used herein:**

- Concessionaire shall mean the concessionaire and its employees, agents, and contractors and the successors in interest of the concessionaire.
- Facility shall mean any and all services, facilities, privileges, accommodations, or activities available to the general public and permitted by this agreement.

### **2. The concessionaire is prohibited from:**

- Publicizing facilities operated hereunder in any manner that would directly or inferentially reflect upon or question the acceptability of any person because of race, color, religion, sex, age, national origin, or disabling condition.
- Discriminating by segregation or other means against any person.

## **SECTION 2 – ACCESSIBILITY**

Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978, requires that action be taken to ensure that any “program” or “service” being provided to the general public be provided to the highest extent reasonably possible to individuals who are mobility impaired, hearing impaired, and visually impaired. It does not require architectural access to every building or facility but only that the service or program can be provided somewhere in an accessible location. It also allows for a wide range of methods and techniques for achieving the intent of the law and calls for consultation with disabled persons in determining what is reasonable and feasible.

No handicapped person shall, because a concessionaire's facilities are inaccessible to or unusable by handicapped persons, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity receiving Federal financial assistance or conducted by any executive agency or by the U.S. Postal Service.

## **A. DISCRIMINATION PROHIBITED**

A concessionaire, in providing any aid, benefit, or service, may not directly or through contractual, licensing, or other arrangements, on the basis of handicap:

1. Deny a qualified handicapped person the opportunity to participate in or benefit from the aid, benefit, or service.
2. Afford a qualified handicapped person an opportunity to participate in or benefit from the aid, benefit, or service that is not equal to that afforded others.
3. Provide a qualified handicapped person with an aid, benefit, or service that is not as effective as that provided to others.
4. Provide different or separate aids, benefits, or services to handicapped persons or to any class of handicapped persons unless such action is necessary to provide qualified handicapped persons with aid, benefits, or services that are as effective as those provided to others.
5. Aid or perpetuate discrimination against a qualified handicapped person by providing significant assistance to an agency, organization, or person that discriminates on the basis of handicap in providing any aid, benefit, or service to beneficiaries of the recipient's program.
6. Deny a qualified handicapped person the opportunity to participate as a member of planning or advisory boards.
7. Otherwise limit a qualified handicapped person in the enjoyment of any right, privilege, advantage, or opportunity enjoyed by others receiving an aid, benefit, or service.

## **B. EXISTING FACILITIES**

A concessionaire shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by handicapped persons. This paragraph does not require a concessionaire to make each of its existing facilities or every part of a facility accessible to and usable by handicapped persons.

## SUBCHAPTER 2-3 – EXHIBIT B: AREA OF OPERATION AND ASSIGNED LAND

### A. AREA OF OPERATION

The Federal estate is authorized for use by the concessionaire for the purposes of this concessions contract.

**[NOTE TO THE PREPARER: Be as specific as possible (e.g., 1/4 sections). Give a detailed legal description. Boundaries must be surveyed.]**

### B. ASSIGNED LAND

Land is assigned in accordance with the boundaries shown on the following map(s):

**[NOTE TO THE PREPARER: Be as specific as possible.]**

**Exhibit B Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **SUBCHAPTER 2-4 – EXHIBIT C: CAPITAL INVESTMENT RECOVERY**

**[NOTE TO PREPARER: The first section of text, from this point until the bracketed word “END,” should be inserted if this contract grants the concessionaire the right to compensation CIR. The second section of text should be inserted if the concessionaire will not be given the right to compensation.]**

This exhibit to this concession contract establishes certain terms and conditions of the concession contract regarding the nature, scope, and applicable conditions of concessionaire CIR. In the event of any inconsistency between this exhibit and this concession contract, this exhibit shall prevail.

### **SECTION 1 – OBTAINING A CAPITAL INVESTMENT RECOVERY**

Title to all capital improvements made by concessionaires shall be held by the United States. However, concessionaires shall have a right to reimbursement for a portion of their investments in capital improvements. That reimbursement right shall be called CIR. The concessionaire will obtain CIR only in capital improvements constructed in accordance with the terms and conditions of this concession contract, including, without limitation, the terms and conditions of this exhibit C, Exhibit H: Improvement Project Procedures, and Exhibit K: Reserve Account for Facilities Improvements to the concession contract.

### **SECTION 2 – AUTHORIZING THE CONSTRUCTION OF A CAPITAL IMPROVEMENT**

The Secretary may authorize or require the concessionaire to construct capital improvements on area lands only in accordance with the terms and conditions of this concession contract and as necessary for the conduct, by the concessionaire, of authorized or required visitor services. Any capital improvements owned by the concessionaire outside area lands, whether used by the concessionaire in the conduct of operating the concession or not, are not covered by this concession contract and do not qualify for CIR.

### **SECTION 3 – REQUIREMENTS FOR BEGINNING TO CONSTRUCT A CAPITAL IMPROVEMENT**

Before beginning to construct any capital improvement, the concessionaire must obtain written approval from the Secretary in accordance with the terms of this concession contract, including the terms and conditions of this exhibit C, exhibit H, and exhibit K. The request for approval must include appropriate plans and specifications for the capital improvement and any other information that the Secretary may specify. The request must also include an estimate of the total construction cost of the capital improvement. The estimate of the total construction cost must specify all elements of the cost in such detail as is necessary to permit the Secretary to determine that they are construction costs related to the improvement defined in this exhibit.



(The approval requirements of this and other sections of this concession contract also apply to any change orders to a capital improvement project and to any additions to a structure or replacement of fixtures and nonremovable equipment as described in this concession contract.)

#### **SECTION 4 – REQUIREMENTS AFTER SUBSTANTIAL COMPLETION OF A CAPITAL IMPROVEMENT**

Upon substantial completion of a capital improvement in which the concessionaire is to obtain a CIR, the concessionaire must provide the Secretary a detailed construction report in accordance with the terms and conditions of this concession contract, including, without limitation, this exhibit C, exhibit D, and exhibit H. The construction report must be supported by actual invoices demonstrating the cost to construct the improvement and, if requested by the Secretary, a written certification from a certified public accountant. The construction report must document, and any requested certification by the CPA must certify, that all components of the construction cost were incurred by the concessionaire in accordance with generally accepted auditing standards and that all components are eligible for direct or indirect construction costs as defined in this concession contract. Invoices for additional construction costs related to elements of the project that were not completed as of the date of substantial completion may subsequently be submitted to the Secretary as part of a request for the inclusion of those costs in the determination of the concessionaire's CIR in the subject improvement.

#### **SECTION 5 – DETERMINING CONSTRUCTION COSTS FOR PURPOSES OF CAPITAL INVESTMENT RECOVERY VALUE**

After receiving the detailed construction report (and CPA certification, if requested) from the concessionaire, the Secretary will review the report, certification, and other information, as appropriate, to determine if the reported construction cost is consistent with the construction cost approved by the Secretary in advance of the construction and that all costs included in the construction cost are eligible for direct or indirect costs as defined in this concession contract. The construction cost determined by the Secretary will be the construction cost for the purposes of calculating the CIR value in the related capital improvement. The Secretary may at any time review a construction cost determination (subject to arbitration under section 6 of this exhibit C) if the Secretary has reason to believe that it was based on false, misleading, or incomplete information.

#### **SECTION 6 – ARBITRATING THE CONSTRUCTION COST OF A CAPITAL IMPROVEMENT**

If the concessionaire requests arbitration of the construction cost of a capital improvement determined by the Secretary, the request must be made in writing to the Secretary within 3 months of the date of the Secretary's determination of construction cost under section 5 of this exhibit C. If a timely request is not made, the Secretary's determination of construction cost

under section 5 shall be the final determination of the construction cost. The arbitration procedures are described in the definitions section of the main body of the concession contract. The decision of the Arbitration panel as to the construction cost of the capital improvement will be nonbinding. The Secretary shall make the final, unchallengeable determination.

## **SECTION 7 – ACTIONS THE CONCESSIONAIRE MAY OR MUST TAKE REGARDING CAPITAL INVESTMENT RECOVERY**

The concessionaire:

1. May encumber a CIR in accordance with the terms of this concession contract.
2. Where applicable, must transfer its CIR in connection with any assignment or expiration of this concession contract.
3. May waive or relinquish a CIR.

## **SECTION 8 – EXTINGUISHMENT OF A CAPITAL INVESTMENT RECOVERY**

A CIR may not be extinguished by the expiration of this concession contract, and assets in which a concessionaire holds a CIR may not be taken for public use except upon payment of just compensation for the value of that CIR at the time of such concession contract expiration or taking. Payment of CIR value pursuant to the terms of this concession contract will constitute the payment of just compensation for CIR within the meaning of this concession contract and for all other purposes.

## **SECTION 9 – CAPITAL INVESTMENT RECOVERY UNDER A SUBSEQUENT CONCESSION CONTRACT IF THE CONCESSIONAIRE IS AWARDED THE SUBSEQUENT CONCESSION CONTRACT**

If the concessionaire under this concession contract is awarded the subsequent concession contract by the Secretary and the subsequent concession contract provides for continued concessionaire use of an improvement for which the concessionaire holds a CIR, the concessionaire's CIR value in that improvement (established as of the date of expiration of this concession contract) will be the initial value of the concessionaire's CIR in that improvement under the new concession contract.

## **SECTION 10 – CAPITAL INVESTMENT RECOVERY UNDER A NEW CONCESSION CONTRACT IF THE CONCESSIONAIRE IS NOT AWARDED THE NEW CONCESSION CONTRACT**

1. If the concessionaire is not awarded a new concession contract after normal expiration of this concession contract, the concessionaire is entitled to be compensated the full value of the CIR pursuant to the terms of this concession contract.
2. Under such circumstances, the concessionaire will not relinquish the CIR until the concessionaire is paid the full value of the CIR as of the date of expiration of this concession contract and pursuant to the terms of this concession contract.
3. The date for payment of the CIR value, except in special circumstances beyond the Secretary's control, will be the date of expiration of this concession contract.
4. Depreciation of the capital improvements and inflation adjustments for the purpose of calculating CIR value pursuant to this concession contract will cease as of the date of expiration of this concession contract.
5. In the event that extraordinary circumstances beyond the control of the Secretary prevent the Secretary from fully compensating the concessionaire for the CIR due the concessionaire on the date of expiration of this concession contract, the concessionaire shall be paid simple interest on any outstanding unpaid CIR until such time the concessionaire has been fully compensated for that CIR. The annual rate of interest will be the prime rate as of the date of expiration of this concession contract plus 200 basis points. This rate of interest will apply to any CIR for which the concessionaire has not been compensated for a period of up to 1 year after the expiration of this concession contract. If the concessionaire is not fully compensated for its CIR within 1 year after the expiration of this concession contract, the annual rate of interest on any outstanding unpaid CIR will be increased an additional 200 basis points plus any increase in the prime rate during that time. If the prime rate decreases during this 1-year period, the interest rate will be adjusted only for an increase of 200 basis points. This new rate of interest will apply during the period beginning 1 year after the expiration of this concession contract and continue indefinitely until such time that the concessionaire has been fully compensated for its CIR as of the date of expiration of this concession contract and pursuant to the terms of this concession contract.

## **SECTION 11 – PAYMENT OF CAPITAL INVESTMENT RECOVERY BY A SUBSEQUENT CONCESSION CONTRACTOR**

If the subsequent concession contract is awarded to a contractor other than the concessionaire, the subsequent contractor will be required to pay the concessionaire its CIR value in exchange for obtaining CIRs in those improvements.

## **SECTION 12 – RIGHTS TO CAPITAL INVESTMENT RECOVERY PRIOR TO CONCESSION CONTRACT EXPIRATION**

If, under the terms of this concession contract, Reclamation removes, causes to be removed, or causes the concessionaire to cease using an improvement in which the concessionaire holds a CIR, the concessionaire will be entitled to receive compensation for its CIR value in that improvement as of the date of such removal or cessation of use, subject to otherwise applicable terms and conditions of this concession contract.

## **SECTION 13 – LOSS OF RIGHTS TO CAPITAL INVESTMENT RECOVERY IF IN DEFAULT OF CONCESSION CONTRACT**

In the event that this concession contract is terminated because of concessionaire default on the concession contract, the concessionaire shall lose all rights to CIR and, therefore, will not receive compensation for its previous rights to CIR. In the event of the expiration of an alternate term as a result of failure to complete the concession Facilities Improvement Program, the concessionaire shall forfeit, and not receive any compensation for, any CIR rights.

## **SECTION 14 – DETERMINING CAPITAL INVESTMENT RECOVERY VALUE**

The amount of compensation due the concessionaire for its CIR will be equal to (1) the actual cost of the capital improvement (as determined under section 5 of this exhibit C), (2) less straight-line depreciation for the period from the date of substantial completion of the capital improvement to the date of valuation (applying the useful life specified by the IRS for the type of improvement in the year of substantial completion of the capital improvement), (3) adjusting the depreciated amount for inflation for the period from the date of substantial completion of the capital improvement to the date of valuation (using the Consumer Price Index for All Urban Consumers published by the U.S. Bureau of Labor Statistics).

For example, if concessionaire A invests in a new fixed improvement in the fifth year of a 10-year concession contract and the subject improvement has a 39-year useful life per the IRS's depreciation schedules, when concessionaire A's concession contract expires 5 years later, concessionaire A will recover 34/39 of its original investment cost (book value), adjusted for the 5 years of inflation from the date of substantial completion of the capital improvement in the fifth year of the 10-year concession contract to the end of the concession contract. This compensation will be paid by the successor concessionaire, concessionaire B.

Concessionaire B will then obtain a CIR in that improvement. However, the value of concessionaire B's CIR will be calculated based on the depreciated value of the original investment cost, not the depreciated value of concessionaire B's payment to concessionaire A for the CIR, as follows. If concessionaire B's concession contract expires 10 years later, concessionaire B will recover 24/39 of the original cost of the improvement (book value), adjusted for the 15 years of inflation from the time of substantial completion of the capital improvement (in the fifth year of concessionaire A's concession contract) until expiration of

concessionaire B's concession contract. This compensation to concessionaire B will be paid by concessionaire C, and so on, until the CIR in that improvement is entirely extinguished in the thirty-ninth year following the date of substantial completion of the capital improvement.

In summary, each successive concessionaire will recover the depreciated book value of the subject improvement, adjusted for inflation, for the period from the date of substantial completion of the capital improvement to the date of valuation, applying straight-line depreciation and a depreciation schedule consistent with IRS guidelines in the year of substantial completion of the capital improvement.

In the event that the concessionaire and the Secretary cannot reach an agreement as to the CIR value where required by the terms of this concession contract, the CIR value will be determined by arbitration, upon request of the concessionaire or the Secretary. The arbitration procedures are described in the "Definition" section (subchapter 2-1) of this concession contract. A prior decision as to the construction cost of capital improvements made by the Secretary in accordance with this exhibit C is final and not subject to further arbitration.

## **SECTION 15 – OBTAINING ADDITIONAL CAPITAL INVESTMENT RECOVERY BY UNDERTAKING AN IMPROVEMENT OR ADDING TO A STRUCTURE**

If an improvement funded by the concessionaire with the written approval of the Secretary represents an improvement (e.g., a new wing to an existing building or an extension of an existing sidewalk) to an existing structure in which the concessionaire already has a CIR, the concessionaire will increase its CIR in the related capital improvement, effective as of the date of substantial completion of the improvement. The initial increase in CIR will be equal to the approved construction cost of the improvement. The rate of depreciation assumed in calculating the CIR value of the improvement at a later date will correspond to the useful life specified by the IRS for the asset type in the year of its substantial completion. The inflation factor used in that CIR value calculation will correspond to the percentage change in the Consumer Price Index between the date of valuation and substantial completion of the improvement. Approvals for improvements to structures are subject to the same requirements and conditions applicable to new construction as described in this concession contract.

## **SECTION 16 – OBTAINING ADDITIONAL CAPITAL INVESTMENT RECOVERY BY REPLACING A FIXTURE IN WHICH THE CONCESSIONAIRE HAS A CAPITAL INVESTMENT RECOVERY**

If the concessionaire replaces an existing fixture in which the concessionaire has a CIR with a new fixture, the concessionaire will increase its CIR by the amount of the approved construction cost of the replacement fixture less the CIR of the replaced fixture at the time of the replacement.

## **SECTION 17 – OBTAINING A CAPITAL INVESTMENT RECOVERY IN EXISTING IMPROVEMENTS IN WHICH NO CAPITAL INVESTMENT RECOVERY FORMERLY EXISTED**

1. If the main body of this concession contract requires the concessionaire to replace fixtures in real property improvements in which there is no CIR (e.g., fixtures attached to an existing Government facility assigned by the Secretary to the concessionaire), a CIR will be obtained by the concessionaire in such replacement fixtures subject to the approval and determination of construction cost and other conditions contained in this concession contract.
2. If the main body of this concession contract requires the concessionaire in the Concession Facilities Improvement Program to undertake and fund an improvement of a structure in which there is no CIR (e.g., a Government-constructed facility assigned to the concessionaire), the concessionaire will obtain a CIR in the structure improvement upon substantial completion of the pre-approved improvement. The initial construction cost used in determining this CIR will be the construction cost of the improvement. Depreciation and adjustment for inflation for purposes of CIR values will apply only to the improvement components of the related structure paid for by the concessionaire.

## **SECTION 18 – NO CAPITAL INVESTMENT RECOVERY OBTAINED FROM REPAIR AND MAINTENANCE OF REAL PROPERTY IMPROVEMENTS**

The concessionaire will not obtain CIR for expenditures made to repair or maintain improvements that would be the usual routine responsibility of the concessionaire. Routine repair and maintenance shall be any repair and maintenance that is performed normally more than once during a 7 year time period. The concessionaire may seek to obtain CIR in pre-approved maintenance and repair projects that it funds that do not reoccur within a 7 year time period.

## **SECTION 19 – CAPITAL INVESTMENT RECOVERY TO BE AVAILABLE FOR USE OF FUNDS FROM THE CONCESSIONAIRE’S RESERVE ACCOUNT FOR FACILITIES IMPROVEMENTS**

The concessionaire shall be entitled to obtain CIR for pre-approved real property improvements made with concessionaire funds, including funds the concessionaire deposited into the RAFI, described in exhibit K of this concession contract. Monthly deposits to the RAFI account will be recorded as an asset on the concessionaire’s balance sheet.

**SECTION 20 – CAPITAL INVESTMENT RECOVERY AS OF THE EFFECTIVE DATE OF THIS CONCESSION CONTRACT**

The concessionaire’s CIR in real property improvements, if any, as of the effective date of this concession contract, is as follows:

Building Number: \_\_\_\_\_

Description: \_\_\_\_\_

CIR Value: \_\_\_\_\_

**[NOTE TO PREPARER: If there are no improvements, this concession contract should say “NONE.”]**

**[END]**

**[NOTE TO PREPARER: The following text should be inserted if the concessionaire will have no right to compensation under this concession contract.]**

The concessionaire shall have no right to compensation or CIR under this concession contract.

**Exhibit C Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

**CONCESSIONAIRE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

Title: \_\_\_\_\_

# SUBCHAPTER 2-5 – EXHIBIT D: AUTHORIZED RECLAMATION AND CONCESSIONAIRE IMPROVEMENTS

## A. RECLAMATION IMPROVEMENTS

**[NOTE TO PREPARER: If there are none, this exhibit should say “NONE.”]**

**[OR]**

The following Reclamation improvements are assigned to the concessionaire for use in conducting its operations under this concession contract:

### 1. Building Inventory

	Reclamation Inventory Number	Description Photo Number
Buildings:		
Marina:		
Other Structures:		

**[NOTE TO PREPARER: Be as detailed as possible.]**

## B. CONCESSIONAIRE IMPROVEMENTS ASSIGNED

**[NOTE TO PREPARER: If there are none, this exhibit should say “NONE.”]**

**[OR]**

The following concessionaire improvements are assigned to the concessionaire for use in conducting its operations under this concession contract:

Building Number	Description	Photo Number
-----------------	-------------	--------------

**[NOTE TO PREPARER: Provide as many details as possible.]**



**Exhibit D Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## SUBCHAPTER 2-6 – EXHIBIT E: ASSIGNED GOVERNMENT PROPERTY AND LIVESTOCK

- A. Government property is assigned to the concessionaire for the purposes of this concession contract as follows:

Building Number	Description	Photo Number
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**[NOTE TO PREPARER: If there is no Government property, this exhibit should say “NONE.”]**

- B. Authorized concession service animals and livestock for the purposes of this concession contract are as follows:

Type of Animal	Number of Species	Maximum Number Authorized	Purpose
----------------	-------------------	---------------------------	---------

**[NOTE TO PREPARER: Be sure that the purpose of each type of animal is very specific. If there are no authorized concession service animals, this exhibit should say “NONE.”]**

**Exhibit D Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## SUBCHAPTER 2-7 – EXHIBIT F: MAINTENANCE PLAN

### A. INTRODUCTION

This Maintenance Plan between \_\_\_\_\_ [NOTE TO PREPARER: Insert the name of the concessionaire.], hereinafter referred to as the “concessionaire,” and \_\_\_\_\_ [NOTE TO PREPARER: Insert the area name.], Bureau of Reclamation, hereinafter referred to as “Reclamation,” shall serve as a supplement to concession contract No. CC-AREA ###-YY [NOTE TO PREPARER: Insert the concession contract number.], hereinafter referred to as the “concession contract,” but does not amend the authorization or alter the rights and liabilities of the parties to the concession contract. The Maintenance Plan delineates and specifies the maintenance responsibilities of the concessionaire and Reclamation with regard to the property, lands, and facilities within [NOTE TO PREPARER: Insert area name.] that are assigned to, or otherwise used by, the concessionaire for the purposes authorized by the concession contract.

In the event of any apparent conflict between the terms of the concession contract and this Maintenance Plan, the terms of the concession contract, including its designations and amendments, shall prevail.

This plan shall remain in effect until superseded or amended. Reclamation will review the plan annually, in consultation with the concessionaire, and make revisions as deemed necessary.

Any revisions will be consistent with the main body of this concession contract. Any revisions must be reasonable and in furtherance of the purposes of the concession contract. This plan will remain in effect until superseded or amended.

### B. CONCESSIONAIRE RESPONSIBILITIES

The concessionaire is required to maintain the concession facilities according to the standards set forth in Reclamation’s Concessions Management Guidelines and in this Maintenance Plan.

The concessionaire’s maintenance responsibilities include [NOTE TO PREPARER: The following list describes elements of the concession operation that the concessionaire is required to maintain. This list should be amended by omitting or adding items, as necessary, for the concession operation being contracted.] but are not limited to lands, landscaping, and drainage structures; all improvements resting on the lands (buildings, walkways, docks, floating docks, slips, ramps, moorings, campground pads and utilities, trailer and recreational vehicle (RV) pads, picnic facilities, trails, parking areas, pavement markings, fences, curbing, culverts, etc.); underground and aboveground storage tanks and associated mitigation if needed; service stations, auto, bus and/or heavy equipment maintenance and repair areas (hoists, cranes, fuels and fluids management, used oil and lubricants, and used antifreeze, filters, and batteries); intrusion

and fire alarm systems; emergency equipment; interior and exterior lighting systems; fire suppression systems; utility and utility distribution systems; structural elements and surfaces (roofing, flooring, subflooring, windows, doors, porches, etc., including hazard abatement); heating and cooling systems; wastewater treatment facilities, composting and vault toilets; and all installed fixtures and miscellaneous equipment.

The concessionaire will carry out general preventive and cyclic maintenance and emergency repair in a timely manner to ensure that all improvements assigned to the concessionaire achieve the goals described by the Concessions Review Program, this Maintenance Plan, and any applicable local, State, or Federal codes and regulations.

All maintenance will be conducted in compliance with all applicable laws, the 2000 version of the International Property Maintenance Code (IPMC), and the manufacturer's recommendations and specifications. The current IPMC can be found at <[www.iccsafe.org](http://www.iccsafe.org)>. In the event of any conflict between applicable laws and the IPMC, the applicable laws will prevail.

## 1. General Maintenance Responsibilities

- a. **Codes.**—The concessionaire shall comply with all applicable Federal, State, and local codes, including, but not limited to, the Uniform Building Code, the Uniform Federal Accessibility Standards, the Uniform Plumbing Code, the National Electric Code, and the National Fire Protection Association's (NFPA) Life Safety Codes; unless the area manager of \_\_\_\_\_ [NOTE TO PREPARER: Insert area of operation name.] has provided a written exception.
- b. **Painting.**—To maintain the appearance of the structures, exterior painting shall be performed on a 5-year cycle (or more often if needed) to provide adequate protection to the structure. Interior painting shall be performed on a 5-year schedule (or more often if needed) to maintain a good appearance. Reclamation must provide advance written approval for lengthening intervals or changing paint color. Latex paint (with a low content of volatile organic compounds) must be used unless approval is granted by Reclamation for use of an oil-based product because of the historic context or use context of the area to be painted. All facilities will be harmonious in form, line, color, and texture with the existing landscape.
- c. **Interior Systems.**—The concessionaire shall operate, repair, and replace lighting, heating, and cooling systems. The concessionaire shall clean and inspect all chimneys, fireplaces, stoves, and exhaust ducts before each operating season. The concessionaire shall also provide and install any needed winterization covers for chimneys.
- d. **Food Service Equipment.**—All equipment used in food service operations, including, but not limited to, dishwashers, refrigerators, freezers, and serving tables will comply with safety, public health, and sanitation codes.

- e. **Winter Closures.**—[NOTE TO PREPARER: This section should be amended, edited, or omitted as needed for the concession operation being contracted.] The concessionaire shall provide winter bracing in unoccupied buildings as needed to avoid damage to structures. The concessionaire will notify Reclamation of the maintenance of utility systems before any action is taken. The concessionaire will be responsible for all utility system work supporting a seasonal operation (shut down of systems, drainage of water, charging systems, etc.) The concessionaire shall install shutters on all windows that are susceptible to snow damage. Shutters shall be neatly made and fitted and shall match the color of the structure to which they are affixed. Shutters for the windows and doors of historic structures shall be installed in a manner approved by Reclamation. The concessionaire shall remove snow from roofs when snow accumulations threaten to injure people or damage buildings. The concessionaire assumes sole responsibility for actions needed to correct damage that results from inadequate preventive measures.
- f. **Employee Housing.**—[NOTE TO PREPARER: This section should be removed if employee housing will not be provided at the concession operation being contracted.] The concessionaire will carry out general maintenance and repair of employee housing structures on a timely basis to ensure that employee housing achieves the basic goals described in the Concessions Review Program. Heating systems shall be inspected and cleaned on a cyclic basis and before initial occupancy. The concessionaire shall monitor employee housing for compliance with fire, health, and safety codes and Reclamation policies and guidelines.
- g. **Underground and Aboveground Fuel Storage Tanks.**—The concessionaire shall monitor, test, maintain, repair, upgrade, replace as necessary, and remove assigned underground and aboveground fuel storage tanks and mitigate any soil or groundwater contamination in accordance with Federal, State, and local regulations. Written notification and approval by Reclamation is required before initiating work.
- h. **Signs.**—The concessionaire will install, maintain, and replace all interior and exterior signs relating to its operations and services within the assigned areas and directional signs outside assigned areas that relate specifically to concession operations. Signing will meet all applicable codes and comply with the intent of Reclamation’s Sign Guidelines. Each concessionaire will develop a signing plan to be reviewed by Reclamation before sign installation.
- i. **Snow Removal.**—[NOTE TO PREPARER: Omit this section if it is not relevant to the concession operation being contracted.] The concessionaire shall clear ice and snow and sand all walkways, roadways, and parking areas within its assignment zones as necessary to make access reasonably safe for the visiting public, concessionaire employees,

Reclamation emergency operations, and concessionaire maintenance and support operations. Reclamation must pre-approve the use of chemical or foreign material deicers.

- j. **Litter, Garbage, and Recycling.**—These containers will be kept clean, well maintained, and serviceable; sites will be free of spills, waste, and odors. Waste must not accumulate in trash containers to the point of overflowing. Trash containers shall be conveniently located and in sufficient quantity to handle the needs of the area. The concessionaire will place cigarette receptacles at heavy use locations within the area of operation. Trash and garbage containers should be painted light brown or tan to distinguish them from Reclamation receptacles.

The concessionaire shall maintain foliage or constructed screening structures to ensure that major refuse sanitation facilities are screened from public view and are set as far apart from heavy public use areas as is reasonably possible. All materials generated as solid waste must be removed from areas at the concessionaire's expense and disposed of in an appropriate manner in an approved site. Applicable State and local codes shall also be followed.

The concessionaire shall provide facilities and services necessary for recycling aluminum, paper, newspaper, glass, plastic, bimetals, waste oil, antifreeze, batteries, and cardboard generated within the assigned area of operation. The concessionaire shall promote recycling and place recycling bins in convenient locations for public use.

- k. **Grounds and Landscaping.**—The concessionaire is responsible for landscaping, grounds care (planting, watering, mowing, weeding, fertilizing, aerating, pruning, etc.), and improvement of assigned areas. The concessionaire shall, at all times, be responsible for keeping the assigned area free and clear of safety hazards (fallen branches, leaf buildup, broken glass, sharp objects, etc.).

In cases where grounds and landscaping activities require temporary modification or relocation of structures assigned to the concessionaire, the temporary modification or relocation shall be carried out at the concessionaire's expense.

- l. **Integrated Pest Management.**—The concessionaire shall conduct activities in a manner that minimizes impacts on the natural or cultural environment. Chemicals, pesticides, and toxic materials and substances will be used as a last resort in an Integrated Pest Management Program, as set forth in Section 3, subchapter 2-1, and be pre-approved by Reclamation. All buildings and structures permitted for use under this concession contract shall be inspected on a regular cycle of not less than every 5 years. Inspections shall be made by a licensed contractor for pest control and submitted to the area manager. **[NOTE TO PREPARER:**

**Omit this sentence if the concessionaire is not required to complete an IPM Program.]** All pest control shall be completed in full compliance with Reclamation approved IPM.

- m. **Hazardous Trees.**—The concessionaire will remove trees within the concessionaire’s assigned areas that have been identified by Reclamation as hazardous. All trees requiring removal will be approved in writing by the area manager. The concessionaire should notify Reclamation when potential hazardous trees are identified.
- n. **Vegetative Cuttings Recycling.**—The concessionaire will remove accumulated debris. The concessionaire should use creative methods of recycling natural debris, such as leaf materials, lawn clippings, and chipping woody materials for use as compost, dust control, or resource mitigation material. The concessionaire will remove slash buildup around buildings in their assigned areas to prevent fire hazards and to comply with State, county, and local codes.
- o. **Resource Protection and Site Restoration at Construction Sites.**—As facilities are removed or sites become heavily impacted by construction activities or overuse, the concessionaire shall prepare and implement a site restoration component and landscaping plan. The area offices will provide advice and assistance during the preparation of these plans, which may include reintroduction of native plants. Written approval from Reclamation is required before plan implementation.
- p. **Roads, Trails, Parking Areas, and Walkways.**—The concessionaire shall maintain roads, parking areas, curbing, sidewalks, walkways, and trails within its assigned lands in a state of good repair and in a manner that provides reasonable access to the general public, persons with physical disabilities, and emergency and service vehicles. In all assigned areas, the concessionaire shall sweep, sign, and paint curbs and striping surfaces on a recurring schedule to ensure that public areas are consistently safe from hazards, clean and free of litter and earthen debris, and well marked. Striping plans must have written approval from Reclamation before implementation. The concessionaire shall maintain trails assigned for its use.
  - (1) The concessionaire will control dust within the concessionaire’s land assignment.
  - (2) The concessionaire shall develop an exterior lighting system plan that addresses installation and maintenance of directed lighting systems that provide the minimum necessary lighting for nighttime walking in assigned walkway areas. All lights must be shielded to cast light downward only (to protect night skies). This lighting system plan shall be submitted to Reclamation for review and approval.

- q. **Marinas, Docks, Marina Slips, and Moorings.**—[NOTE TO PREPARER: The preparer should omit or amend this section as necessary to be applicable to the concession operation being contracted.] The concessionaire shall maintain marinas, marina breakwaters, piers, jetties, docks, marina slips, moorings, floating docks, emergency docks and slips, courtesy docks and slips, boat sewage pumpout stations, public boat launches, public fish cleaning stations, dry dock facilities, hoists and cranes, boat storage facilities, restrooms, and all utility systems within its assigned area of operation in a state of good repair and in a manner that provides safe and reasonable access to the general public, persons with physical disabilities, and emergency and service vehicles.

In all assigned marina and related areas, the concessionaire shall maintain, sweep, sign, and paint surfaces on a recurring schedule to ensure that public areas are consistently safe, clean, and free of algae, water weeds, moss, vegetative growth, earthen debris, foul odors, rust and litter, and are well marked and well lighted. Maintenance and repair plans that involve the use of chemicals in the marina and related areas must have written approval from Reclamation before implementation.

**[NOTE TO PREPARER: Give careful consideration under this heading in the identification of dock types or flotation types that are not acceptable (e.g., no unenclosed foam flotation.)]**

- r. **Campground, RV, and Trailer Pads.**—[NOTE TO PREPARER: The preparer should omit or amend this section as necessary to be applicable to the concession operation being contracted.] The concessionaire shall maintain campground, RV, and trailer pads, including utilities hookup facilities, RV pumpout stations, roads, parking areas, curbing, sidewalks, walkways, campground trails, landscaping, foliage, and vegetation, within its assigned area of operation in a state of good repair and in a manner that provides access to the general public, persons with physical disabilities, and emergency and service vehicles. All camping, RV, trailer, and related areas, including, but not limited to, campfire pits, barbeques, cooking facilities, drainage and washing facilities, laundry and toilet facilities, and pumpout stations must be maintained in a state of good repair. The concessionaire shall maintain the campground including but not limited to, cleaning, sweeping, signing, and painting surfaces, and trimming overhanging and hazardous vegetation on a recurring schedule to ensure that these public areas are consistently safe, hygienic, clean, and free of foul odors, litter, earthen debris, soot and ashes, and are well lighted and marked. The concessionaire shall be responsible for keeping the assigned camping, RV, trailer, and related areas free and clear at all times of safety hazards.



s. **Wastewater Treatment.**—[NOTE TO PREPARER: The preparer should omit or amend this section as necessary to be applicable to the concession operation being contracted.] The concessionaire shall repair and maintain wastewater treatment service and facilities and shall also maintain all fixtures attached to the wastewater treatment system, including, but not limited to, building plumbing systems, all wells, wastewater treatment facilities, storage facilities, tanks, sewage ponds and leaching fields, distribution systems, master meters and valves, pumping stations, and down flow from the meter within the concessionaire land assignments in the area of operation in accordance with all applicable laws and environmental requirements, including Federal, State, and local laws and applicable codes, policies, and guidelines.

- (1) The concessionaire shall ensure that repair and maintenance of the wastewater treatment facility complies with the effluent limitation requirements established in Public Law 92-500 (Clean Water Act) and is permitted in accordance with the National Pollutant Discharge Elimination System, as administered by the Environmental Protection Agency.
- (2) The concessionaire will provide for the daily monitoring and periodic sampling of water. Sampling will include, but not be limited to, solid, semisolid, and liquid effluence, pollutants, bacteria, and chemicals in the wastewater treatment system. The wastewater treatment system includes, but is not limited to, wastewater treatment areas, outflow areas, and surface water areas in the concessionaire's assigned area of operation.
- (3) The concessionaire shall repair any damage to the wastewater treatment system within assigned areas and any damage occurring beyond the concessionaire assigned areas that results from negligence of the concessionaire or employees while working or operating concessionaire equipment.
- (4) The concessionaire shall ensure that wastewater treatment facilities and structures, including, but not limited to, building plumbing systems, wells, wastewater treatment facilities, storage facilities, tanks, sewage ponds and leaching fields, distribution systems, master meters and valves, and pumping stations, shall be maintained, swept, washed, cleaned, and painted on a recurring schedule to ensure that they are consistently safe, hygienic, clean, and free of foul odors, earthen debris, encroaching vegetation, and litter in the assigned area of operation.
- (5) All repairs and improvements to wastewater treatment facilities must be designed in accordance with the best practicable wastewater treatment technology and be based on sound engineering standards. All repairs, improvements, and new

wastewater treatment facilities must be designed so that they are screened from public view by foliage or constructed screening and appropriately located as far from public use areas as reasonably possible.

(6) The concessionaire shall implement ongoing water conservation measures. As replacement of fixtures and facilities is needed, the concessionaire shall obtain and install low-flow and water-conserving fixtures and facilities.

t. **Firewood.**—The concessionaire shall acquire fully cured firewood from outside the area for use in assigned facilities. Reclamation encourages the use of lower emission composite fuels when and wherever possible. To minimize hazards associated with fuel wood storage, the concessionaire will store wood away from existing structures and will comply with instructions provided by State or other local fire management staff.

u. **Utility Systems.**—[NOTE TO PREPARER: The following text should be modified according to the needs of the concession operation.] The concessionaire shall operate, repair, and replace all interior and exterior utility systems within concessionaire land assignments as described herein. As systems or equipment needs to be replaced, serious consideration shall be given to the use of products and technologies that reduce impacts, conserve resources, and improve efficiencies, including electric peak load shedding and the use of alternative fuels. The concessionaire will replace or repair all utility systems, regardless of location, damaged as a result of the negligence of the concessionaire or its employees, agents, or contractors.

(1) Liquid Propane Gas Systems: The concessionaire shall repair and maintain, according to NFPA codes, all Liquid Propane gas systems in its assigned areas. These include, but are not limited to, tanks, bottles, regulators, and piping.

(a) The concessionaire will conduct and document semiannual inspections of its gas storage and distribution systems.

(b) Placement of new or additional tanks must receive prior written Reclamation approval. An independent certified or licensed inspector must inspect all gas installations (at the concessionaire's expense).

(2) Water:

(a) The concessionaire shall repair and maintain water service and building plumbing systems, including all wells, treatment facilities, storage facilities and distribution systems, master meters and valves, pumping stations, and

down flow from the meter within the concessionaire land assignments or as shown or described on land assignment maps. The portion of the water system between water meters \_\_\_\_\_ is included. **[NOTE TO PREPARER: Insert the appropriate water meter numbers here.]**

- (b) The concessionaire shall repair any damage to the water system within assigned areas and beyond the concessionaire assigned areas if the damage results from negligence of the concessionaire or its employees while working or operating concessionaire equipment. The concessionaire shall also maintain all fixtures attached to the water system within all buildings and structures.
  - (c) The concessionaire shall implement ongoing water conservation measures. As replacement of fixtures is needed, the concessionaire shall obtain and install low-flow and water-conserving fixtures.
  - (d) The concessionaire shall implement a cross-connection control program in accordance with the most current version of the (area of operation name) **[NOTE TO PREPARER: Insert the appropriate area of operation name.]** Water System Cross-Connection Control Regulations.
  - (e) The concessionaire will provide for the daily monitoring and periodic sampling of water systems in its assigned areas.
  - (f) The concessionaire shall provide water to all concession facilities, including maintenance of the water system from the treatment facility up to and including the water meter for such facilities, if any. The concessionaire shall maintain and operate water treatment facilities and water bacteriological and chemical monitoring.
  - (g) The concessionaire shall be required to maintain the potable water system in compliance with the requirements of the State.
- (3) Sewage: The concessionaire shall repair and maintain all sewage lines, connections, disposal systems, and appurtenances within the concessionaire land assignment to the sewer collection main or as shown or described on land assignment maps. The concessionaire shall repair any damage to the sewage disposal system within assigned areas and any damage occurring beyond the

concessionaire assigned areas that results from negligence of the concessionaire or its employees while working or operating concessionaire equipment.

- (a) The concessionaire shall maintain, repair, and replace fixtures attached to the sewage disposal system (including sinks, toilets, urinals, and dishwashing equipment).
  - (b) The concessionaire shall install and maintain grease traps, as necessary, to ensure that grease does not flow into wastewater systems. Reclamation will bill the concessionaire to recoup costs for clearing or replacing clogged sewer lines and cleaning lift station wet wells because of heavy grease accumulation that is directly related to the concessionaire's operations.
  - (c) The concessionaire will provide for the proper operation and maintenance of composting toilets.
- (4) Telephone Service: **[NOTE TO PREPARER: This section should be amended to reflect the needs of the concession operation being contracted.]** The concessionaire shall contract directly with commercial telephone operators for phone service to its assigned facilities.

Agreements with commercial providers shall be in accordance with guidelines provided by Reclamation. The concessionaire shall be responsible for all equipment and wiring on the premises.

The concessionaire shall repair, maintain, or replace the underground telephone system from within the concession facility up to within 5 feet of the designated telephone utility company lines.

- (5) Seasonal Operations: The concessionaire will drain all water and sewer lines that are defined above as the responsibility of the concessionaire and take all necessary steps to prevent damage from freezing. All water and sewer lines will be charged and tested for leaks before opening. The concessionaire shall comply with Reclamation's annual guidelines when reopening and repairing drinking water distribution systems.

## 2. Exterior Maintenance

Exterior refers to the foundations, exterior walls and surfaces, roofs, porches, stairways, and other structural attachments of structures, including all equipment, walkways, trails, parking lots, and other improvements, as well as the lands, landscapes, and utilities within the assigned area of responsibility.

- a. **Roofs.**—Roofs shall be inspected on an annual basis to ensure that roofing material(s) are intact and free of deterioration that would affect the structural qualities and are not jeopardized by adjacent vegetation.
  - (1) Roof repairs shall be made using the same type, style, and color as existing roofing materials
  - (2) Replacement of the total roof surface shall be done in accordance with Reclamation specifications.
  - (3) Overhanging tree limbs and vegetation causing roof deterioration shall be trimmed or pruned away from the structure(s).
  
- b. **Gutters, Downspouts, and Roof Drains.**—Gutters, downspouts, and roof drains shall be inspected and cleaned, at a minimum, on an annual basis or as necessary to maintain the system free of obstructions and to ensure all openings are clear and operational.
  - (1) Gutter and downspout surfaces shall be maintained to prevent deterioration of the material or structural damage to the building.
  - (2) Gutter and downspout replacement shall be done in accordance with Reclamation specifications.
  
- c. **Doors and Windows.**—Doors and windows shall be inspected on an annual basis and shall be maintained to prevent water or moisture from entering the building and causing deterioration of materials or structural damage to the building.
  - (1) Door and window replacement shall conform to existing size, style, and appearance unless otherwise approved in writing by the area manager.
  - (2) Concessionaires shall maintain, repair, or replace all glass in windows and all glass in doors and screens, shutters, etc.
  
- d. **Siding.**—Siding shall be inspected on an annual basis and maintained to prevent water and moisture from entering the building or causing deterioration of the siding material or paint or causing structural damage or otherwise harming the building's appearance.
  - (1) Siding and other exterior surfaces shall be painted on a regular basis of not less than every 5 years.
  - (2) Siding shall be free of encroaching vegetative growth.
  - (3) Siding shall be repaired or replaced using the same size, style, type, and grade of material as exists on the building or structure.

- (4) Repaired or replaced siding shall be painted with a minimum of one coat of primer and two coats of paint to match existing color and type of paint.
  - (5) Paint and thinning products shall be stored in fire-proof cabinets or disposed of according to State and Federal hazardous waste disposal regulations.
- e. **Structural Ventilation.**—Structural ventilation shall be inspected on an annual basis and maintained to permit air circulation, as designed.
  - (1) Wire screen, metal, or wooden louvers shall be intact to prevent the entering of birds, bees, rodents, and other wildlife.
- f. **Foundations and Exterior Walls.**—Foundations and exterior walls shall be inspected on an annual basis to ensure they are structurally sound and support the superimposed loading. They shall be maintained to prevent differential settlement or lateral, vertical, or longitudinal displacement. Major repair or replacement shall be completed with Reclamation approval.
- g. **Electrical Systems.**—The concessionaire shall repair, maintain, or replace all wiring, conduits, fuses, breakers, fixtures, etc., within the buildings. Any repairs, remodeling, or upgrading shall be consistent with the National Electrical Code.

The concessionaire shall repair, maintain, and replace all electrical lines and equipment (conduit, fuses, panels, switches, transformers, lines, etc.) down line from the meter within all concessionaire land assignments and all fixtures (lamps, cords, and equipment) affixed to the secondary electrical lines. The concessionaire shall repair any electrical system damage within assigned areas and any damage occurring beyond the concessionaire assigned areas that results from negligence of the concessionaire or employees while working or operating concessionaire equipment.

The concessionaire shall repair, maintain, or replace the underground electrical distribution system and the overhead power service lines. The concessionaire shall repair, maintain, or replace the power distribution system from within the concession facility up to, and including, the electrical meters provided by the electrical distributor outside the area.

The concessionaire will ensure that all electrical circuits under its control meet or exceed the standards of the National Electric Code.

The concessionaire shall develop and implement a plan to reduce its consumption of electrical energy. This plan shall be annually submitted to Reclamation for review and approval. Exterior lighting shall be installed

by a licensed contractor or electrician and shall be designed to minimize energy consumption.

### 3. Interior Maintenance

Interior refers to the area of structures inside the external walls and under the roof, including doors and window frames. This also includes all equipment, appurtenances, improvements, and utility systems that penetrate the walls, roof, or foundation.

- a. **Painting.**—Unless required more frequently according to the manufacturer’s recommendation or the IPMC, paintable surfaces shall be painted on a regular cycle of not less than 5 years.
  - (1) Painted surfaces shall be maintained in an acceptable manner free of peeling, blistering, and excessive wear.
  - (2) Paint products shall be of a “best quality” from a major manufacturer and a type and color that is readily available on the open market. Any changes to paint colors must be made from the color range provided by the area manager.
  - (3) Paint and thinning products shall be stored in fire-proof cabinets or disposed of according to State or Federal Hazardous Waste Disposal Regulations, including, but not limited to, NFPA requirements.
- b. **Heating, Ventilating, and Air Conditioning Units.**—Heating, ventilating, and air conditioning units shall be kept clean, maintained, and operated in strict accordance with manufacture’s instructions.
  - (1) New installations and repairs shall be done in accordance with manufacturers’ recommendations or requirements. New installations must be designed to minimize energy consumption.
  - (2) Adjacent areas shall be free of litter, dirt accumulation, and unnecessary storage.
- c. **Electrical Systems.**—Electrical systems shall be maintained from the meter into the structure and inspected on an annual basis for compliance with the National Electrical Code and requirements of the utility provider.
  - (1) Electrical systems shall be equipped with properly functioning safety equipment, overload protective devices, and switches.

- (2) High voltage (220 volts and higher) shall have contact points marked in accordance with National Safety Council coding standards.
  - (3) Installations shall be in accordance with the National Electrical Code and installed by a \_\_\_\_\_ **[NOTE TO PREPARER: If the concessionaire will be required to use an electrician licensed in a particular State, insert the name of the State.]** licensed contractor or electrician.
- d. **Fire Protection Systems.**—Fire alarms and sprinkler systems shall be inspected on an annual basis and maintained in full operating condition at all times in accordance with NFPA requirements.
- (1) Installations shall be performed by a licensed contractor/technician.
  - (2) The concessionaire shall maintain, in a serviceable condition, all interior safety devices, fire detection and suppression devices, equipment and appurtenances, as well as fire extinguishers, consistent with Federal codes and NFPA requirements. The concessionaire must conduct periodic tests of all safety devices, fire detection, and suppression devices, equipment, and appurtenances.
- e. **Safety Equipment, Fire Escapes, and Fire Exits.**—The concessionaire will provide and maintain safety devices, fire detection and suppression equipment, and such appurtenances as are necessary for the protection of employees and the public, including assigned concessionaire and Government improvements. The concessionaires will comply with all applicable Federal, State, and local codes. Fire escapes and exits shall be inspected on an annual basis and maintained to provide safe and expedient exit from the building at all times in accordance with NFPA requirements.
- (1) Fire Escapes and Exits: Fire exit doors shall be equipped with operable panic hardware and identified by illuminated fire exit signs. A fire or emergency exit plan shall be posted on each floor, showing escape routes and emergency exit doors. Installations of fire escapes and emergency exit hardware and signs shall receive prior written approval from the area manager.
  - (2) Fire Equipment: The concessionaire is responsible for all hose boxes, fire hoses, standpipes, and extinguishers within its area of responsibility and shall inspect the equipment on a regular basis to ensure proper working order and compliance with the NFPA Life Safety Code.



- (3) Emergency lighting shall be installed to illuminate exit routes in accordance with NFPA standards.
- f. **Floors and Floor Coverings.**—Floors and floor coverings shall be inspected on an annual basis and maintained to prevent signs of displacement, deflection, water damage, and abnormal deterioration.
  - (1) Floors and floor coverings shall be maintained so they are free of objectionable deterioration, evidence of vandalism, and excessive wear. Floors must be clean and free of litter or stains. Vinyl floor coverings must be clean, waxed or buffed, free of cracks, chips, litter, stains, and worn places. Wood floors must be clean, in good condition, and waxed, or otherwise sealed. Carpeting must be clean, reasonably free of stains, and be in good repair.
  - (2) Hardwood floors, tile, and linoleum coverings shall be maintained using proper sealants and waxes.
- g. **Furnishings and Fixtures.**—The concessionaire shall inspect all furnishings and fixtures on an annual basis and shall maintain all furnishings and fixtures in the assigned area of operation on a recurring schedule to prevent abnormal deterioration and ensure that furnishing and fixtures in public areas are consistently clean and free and clear of safety hazards. The concessionaire shall maintain said furnishing and fixtures so that they are clean and free of objectionable deterioration, odors, water damage, fading, evidence of vandalism, fire and smoke damage, cigarette burns, litter, stains, rips, tears, cracks, chips, fading, worn places, and excessive wear. Furnishings and fixtures must be cleaned, polished, waxed, or buffed on a recurring schedule to maintain luster, radiance, and freshness.
- h. **Asbestos.**—The concessionaire is responsible for maintaining health and safety standards in assigned buildings and areas that have asbestos.

#### 4. Annual Maintenance Inspections

Reclamation shall conduct an inspection or review of Government and concessionaire improvements assigned to the concessionaire to determine compliance with applicable maintenance standards in this concession contract and in the Reclamation Concession Management Guidelines and with applicable Federal and State laws, regulations, guidelines, rules, codes, and policies. This review shall take place on a schedule established in Exhibit G: Operating Plan of this concession contract.

## 5. Reclamation Responsibilities

During the execution of any Reclamation responsibilities indicated below, should Reclamation disrupt areas or lands within the concessionaire's assigned lands, Reclamation shall provide mitigative signing, barriers, and revegetative efforts as needed. Reclamation will interface with the concessionaire's maintenance program according to the following:

- a. **Improvements Assigned to the Concessionaire.**—Reclamation will not physically maintain Government or concessionaire improvements assigned to the concessionaire. Reclamation will provide staff review of concessionaire plans and proposals, inspection and evaluation of concessionaire processes and programs, and technical advice and assistance when requested and as resources allow.
- b. **Signs.**—Reclamation will install, maintain, and replace all regulatory signs that serve the interest of the Government. Reclamation will provide direction and assistance to the concessionaire during the design and installation of all approved signing. Reclamation's Sign Guidelines should be used as a guide for signs.
- c. **Snow Removal.**—[NOTE TO PREPARER: This section should be tailored to suit the concession operation and should be omitted if unnecessary.] As resources are available, Reclamation shall remove snow from all roads and parking areas within the area, including accessways to concession facilities that remain open during the winter and are outside the area assigned to the concessionaire. Reclamation will hold (usually in the fall) an annual meeting to develop a snow removal plan and priority schedule for Reclamation plowing operations; a representative of the concessionaire may attend. Reclamation may provide snow removal for the concessionaire on a reimbursable basis as established with the concessionaire before the winter operating season.
- d. **Litter and Garbage.**—Reclamation will ensure, either through its own actions or through those of a contractor, that reliable, regularly scheduled garbage pickup is available in the area, except within concessionaire assigned areas.

Reclamation will provide direction and guidance to the concessionaire regarding procedures and methods for keeping concessionaire refuse away from area wildlife.

- e. **Grounds and Landscaping.**—Reclamation will identify and periodically monitor hazardous trees in the area. Reclamation will also remove hazardous trees in the area that are outside the concessionaire's land assignment. Reclamation will review the concessionaire's landscaping plans, provide standards as needed, review and approve (if appropriate) proposed work, and monitor concessionaire projects.

Reclamation may make available to the concessionaire, when no cost to Reclamation is incurred; designated sites where limbs and other legally burnable forest debris may be transported for disposal.

- f. **Roads, Trails, Parking Areas, and Walkways.**—Reclamation will maintain all roads, parking areas, curbing, sidewalks, walkways, and trails in the area, except those within the concessionaire’s area of responsibility as shown on the land assignment maps. Reclamation will review the concessionaire’s maintenance plans, provide standards as needed, review and approve proposed work where appropriate, and monitor concessionaire projects. Use of assigned trails by the concessionaire is subject to specific terms and conditions as may be developed by the area manager for mitigation of impacts caused by the concessionaire.

After consultation with the concessionaire and consideration of issues of mutual concern, this Maintenance Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the concessionaire and Reclamation.

Date: \_\_\_\_\_ this \_\_\_\_\_

day of \_\_\_\_\_ year \_\_\_\_\_

Concessionaire: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Bureau of Reclamation

Area Manager: \_\_\_\_\_

## SUBCHAPTER 2-8 – EXHIBIT G: OPERATING PLAN

### A. INTRODUCTION

This Operating Plan between \_\_\_\_\_ [NOTE TO PREPARER: Insert name of concessionaire.], hereinafter referred to as the “concessionaire,” and \_\_\_\_\_ [NOTE TO PREPARER: Insert area of operation name.], hereinafter referred to as Reclamation, shall serve as a supplement to concession contract No. CC-XXXXNNNN-YY [NOTE TO PREPARER: Insert concession contract number.], hereinafter referred to as the concession contract. This Operating Plan describes specific operating responsibilities of the concessionaire and Reclamation with regard to those concession Facilities within \_\_\_\_\_ [NOTE TO PREPARER: Insert area of operation name.] that are assigned to the concessionaire for the purposes authorized by the concession contract.

In the event of any conflict between the terms of the concession contract and this Operating Plan, the terms of the concession contract, including its designations and amendments, shall prevail.

This Operating Plan will be reviewed annually by Reclamation in consultation with the concessionaire and revised as determined necessary by Reclamation.

No revision shall be made that is inconsistent with the main body of the concession contract. Any revisions must be reasonable and in furtherance of the purposes of the concession contract.

### B. MANAGEMENT, ORGANIZATION, AND RESPONSIBILITIES

#### 1. Concessionaire

- a. The management and organization of the concessionaire’s operations will be under the concessionaire of record.
- b. The concessionaire is responsible for complying with the Federal, State, and county laws and the policies and directives of Reclamation and for carrying out day-to-day operations under the direction of the \_\_\_\_\_ [NOTE TO PREPARER: Insert name and/or title of the appropriate individual in the concessionaire’s operations.], who provides professional direction, supervision of all on-site supervisors and employees, and handles complaints and other correspondence promptly and efficiently. To achieve an effective and efficient working relationship between the concessionaire and Reclamation, the concessionaire shall designate an on-site manager who has full authority to act on behalf of the concessionaire, including acting as the liaison between the concessionaire and Reclamation. The on-site manager will furnish Reclamation with a list of departmental or key supervisors and managers, including the position titles, and will update the list as vacancies occur and positions are filled.

**2. Reclamation**

The area manager, \_\_\_\_\_, [NOTE TO PREPARER: Insert name of area manager.] manages the \_\_\_\_\_ [NOTE TO PREPARER: Insert area of operation name.]. The area manager carries out the policies and directives of Reclamation, including oversight of the concessionaire’s operations. Through \_\_\_\_\_ [NOTE TO PREPARER: Identify Reclamation official.], the area manager reviews, supervises, and coordinates concession activities related to \_\_\_\_\_ [NOTE TO PREPARER: Insert Area Name.].

The area manager will provide a current personnel list to the concessionaire with all appropriate points of contact.

**C. SEASON AND HOURS OF OPERATION**

The concessionaire will provide the required and authorized services for the area visitors with regular hours of operation. The following minimum hours of operation and months of operation shall remain in effect and be adhered to unless changes are requested in writing and approved by Reclamation. Reclamation may direct occasional changes to this schedule in the interest of visitor services.

**[NOTE TO PREPARER: The following is a partial list of possible authorized or required services. This list should be adapted to the concession operation being contracted by adding any services that are not listed here but that the concessionaire will be required to provide and omitting the rest, as appropriate.]**

	<b>Service</b>	<b>Season/Months</b>	<b>Operation/Hours</b>
1.	Overnight Lodging Accommodations		
2.	Food and Beverage Services		
3.	Gift, Curio, and Merchandise Retail Outlets		
4.	Water-Based Fuel Services		
5.	Automobile Service Station		
6.	Campground General Store		
7.	Marina Store		
8.	Campground/Recreational Vehicle Services		
9.	Dry Boat Storage Facility		
10.	Slip/Buoy Rentals		
11.	Houseboat Rentals		
12.	Powerboat Rentals		
13.	Boat Tour Services		
14.	Boat Repair Services		
15.	Boat Towing/Chase boat		

By (date) \_\_\_\_\_ of each year, the concessionaire will submit a written schedule of proposed opening and closing hours of operations for all concession facilities for the area manager's approval before implementation. The area manager will give reasonable notice of any schedule changes that it might initiate.

## **D. STANDARDS OF OPERATION**

**[NOTE TO PREPARER: The purpose of this section is to describe the standards of operation for every authorized or required service at the concession operation. The inclusion of the standards of operation in this section will contractually obligate the concessionaire to comply with such standards. The standards listed in this section will form the basis for evaluation under the Concessionaire Review Program.]**

1. The operation of accommodations, facilities, and services required and authorized by the concession contract shall be in accordance with Reclamation standards set forth in the Reclamation Concession Management Guidelines, the concession contract, and this Operating Plan. The concessionaire must adhere to all local, State, and Federal laws.
2. The provision of required and authorized services shall be in accordance with the following standards. These standards are service minimums, and the concessionaire is expected to make every effort to exceed these standards.

**[NOTE TO PREPARER: This section should include operating standards for each authorized or required service that will be offered by the concessionaire. Operating standards for all services and activities are included in the Reclamation Concession Management Guidelines under the Concessionaire Review Program.]**

3. Reclamation may change, at the discretion of the Secretary, from time to time during the term of this concession contract, the time-use limitations set forth in this Operating Plan.

**[NOTE TO PREPARER: The following paragraph should be adapted to coincide with local standards and seasonal variations.]**

The concessionaire is prohibited from allowing camping, including the use of transient trailers or recreational vehicles, at the same campsite by the same individual or individuals for more than **[7 or 14 days]** during any period of **[14 or 30] consecutive days**.

To the extent reasonable and practicable, Reclamation may relax, with written approval, the above standards during shoulder and off seasons. These determinations may be made on a local basis with written concurrence from the area office on an annual basis. However, if permitted, the concessionaire must

manage the sites to ensure that they are used in the same manner as the 7 and 14 day limitations (e.g., no external structures, vehicle skirting, or outside storage of personal possessions). Trailers may not serve as a primary residence. The extended stay opportunity may not exceed 45 days.

Local areas may determine parameters and stipulations on the use and rental of boat slips and docks. It is traditional and appropriate to permit concessionaires the opportunity to provide long-term assignments/rentals of such facilities as long as certain facilities are set aside for the reasonable use of short-term boaters. If the use demand is so high that all available long-term sites are full, a waiting list will be maintained by the concessionaires in a manner approved by Reclamation. In no instances will a user be permitted to stay longer than 2 years if there is a waiting list.

Furthermore, the sale or transfer of ownership of boats, houseboats, or other personal property (See Reclamation Directives and Standards Section 4.D.19 of LND 04-01) is absolutely prohibited at any location on the Federal estate.

**[NOTE TO THE PREPARER: For the above, select either 7 days during any 14 consecutive days or 14 days during any 30 days, as appropriate. For highly desirable recreation areas, 7/14 is recommended, otherwise 14/30 may be appropriate.]**

The concessionaire will establish and maintain, to the satisfaction of the Secretary, a fair, impartial, and equitable reservation system for the use of all sites. The concessionaire shall establish a fair and equitable wait list approved by local Reclamation staff or lottery system that frequently rotates users of all sites. The concessionaire shall maintain a ledger that records the names and other identifying information of the individuals who use its sites and shall make that ledger available for inspection by Reclamation at any time. The Secretary will consider failure to establish a fair and equitable wait list or lottery system or to maintain or immediately make available the ledger upon request to be a violation of this concession contract, and this concession contract shall be terminated pursuant to section 1 in the main body of the concession contract.

The concessionaire's Visitor Use Agreement shall state that the visitor may not construct any permanent structures or attach any fixtures or equipment to Government structures on or near the site for which they are granted a visit and may not leave behind, after their use agreement expires, any personal property on the Federal estate when vacating the site for which they were granted a visit. The concessionaire's Visitor Use Agreement shall state that the visitors may not use the site they are renting in any way that would block or significantly diminish other visitors' access to or enjoyment of Reclamation lands or resources.

## **E. SPECIFIC OPERATING STANDARDS AND REQUIREMENTS**

**[NOTE TO PREPARER: LISTED BELOW ARE SPECIFIC OPERATING STANDARDS—USE APPROPRIATE STANDARDS FOR THIS OPERATING PLAN.]**

All services are to be provided in a consistent, quality manner. Standards provided by current Reclamation guidelines are considered Reclamation minimums. The concessionaire is expected to make every effort to exceed these standards. The concessionaire will be responsible for monitoring its operations to ensure that quality standards are met.

### **1. Lodging**

Where in-room phones are provided, guests must have easy 24-hour access to incoming and outgoing phone service, including guest unit message delivery. Emergency messages must be delivered to the guest immediately upon receipt. Guest's calls will be answered promptly.

Each guest unit door must be equipped with both a primary lock and a secondary deadbolt lock.

Each door to a connecting room must be equipped with a deadbolt lock.

Sliding glass doors must be equipped with an effective locking device. A secondary locking device is required if the door is located on the ground floor.

At a minimum, each guest room will include information outlining facilities and amenities available throughout the area. The information packet is subject to the approval of the area manager.

Each facility should have a sufficient quantity of cribs, rollaways, and trundle beds available upon request. Cribs must comply with Federal safety guidelines outlined in 16 CFR Part 1508 and 16 CRF Part 1509.

At a minimum, each guest unit must be cleaned thoroughly and bed and bath linens must be changed between stays. Daily maid service must be provided for multiple night stays. Fresh linens, towels, and bathroom supplies must be available upon request.

Shower and tub curtains must be untoned, clean, and free of mildew. They should be of sufficient length and width to prevent water from flowing onto the floor. Other types of enclosures (e.g., hinged and sliding doors) must meet the above criteria and must be easily moveable and intact. Sliding doors tracks must be cleaned and in good repair.



Floors and floor coverings must be intact, clean, and free of litter. Vinyl floor coverings must be highly polished and free of cracks, chips, or other signs of wear. Masonry tile grouting must be in good repair and clean. Wood floors should be painted or well sealed. Area rugs must be treated to prevent slipping. Walls, ceilings, and windows must be clean. Windows should open easily and be equipped with proper locks.

**2. Food and Beverage**

The concessionaire will ensure that a manager or other key person will be visible in the food service outlet during the peak service hours.

All menus will maintain a price range that accommodates the general range of area visitors. The concessionaire will offer a range of food that provides for a wide variety of visitors, including vegetarian entrees, heart-healthy entrees, light eater’s entrees, and children’s menus.

The concessionaire will have at least one full-time manager that has attended a liquor law training program. The concessionaire is encouraged to train its employees in the responsible practices of serving and selling alcoholic beverages.

All food preparation and dishwashing will conform to U.S. Public Health Code requirements.

All items on menu boards should be available during the entire serving period.

The concessionaire will use the following specifications as a guide when purchasing food products:

<b>Meat</b>	
Beef	U.S. Department of Agriculture (USDA) Prime and Choice
Pork	USDA Number 1
Veal	USDA Select and Choice
Lamb	USDA Prime Choice
Poultry	USDA Grade “A” for all graded fresh or frozen poultry and poultry products as a minimum specification

**Seafood**  
Frozen fish, if used, must be a nationally distributed brand, packed under continuous inspection of the USDA

<b>Dairy</b>	
Eggs	Fresh USDA or State Graded “A”
Butter	USDA Grade “A” (92) Score
Cheese	USDA Grade “A” for all graded cheeses
Milk and Milk Products	USDA Grade “A” Fresh

<b>Produce</b>	USDA Grade "A"
<b>Dry Stores</b>	Grade "A" Fancy
<b>Canned Goods</b>	Grade "A" Fancy

To the extent possible, appropriate, and feasible, the concessionaire will encourage the purchase of regionally grown and environmentally friendly products (e.g., shade grown coffee, wild Atlantic salmon).

### **3. Merchandising**

Items offered for sale should reflect the themes or general parameters identified in the area's gift shop mission statement or merchandise plan. The concessionaire will develop and implement a merchandise plan on the area's mission statement and incorporate the merchandise plan into the operation of all merchandise items.

Only items necessary for visitor use and enjoyment of the area, including snack foods, camping supplies, personal items, clothing, film, and gifts or souvenirs should be offered. A range of merchandise in different price ranges should be offered. Inexpensive collectibles, such as cups, spoons, and caps, along with clothing and children's merchandise that have a relationship with area themes, should be offered for sale.

If acceptable as sales items at the area, petrified wood, minerals, and stones must have at least one face or surface polished to distinguish it from the natural state as might be found in the area. Such sales items must be clearly and prominently marked as not obtained from the area. The following items are not to be sold:

- a. Articles that people of normal taste or sensitivity might consider obscene, offensive, or profane or items that reflect a lack of concern for the environment or culture.
- b. Archeological specimens or objects of American Indian origin over 100 years old.
- c. Plant materials and other natural materials from the area.
- d. Fossils or other earth products (such as petrified wood) whose origin is from public lands.
- e. Animal skins or parts of animals that are obtained illegally must not be incorporated into merchandise or used in displays.
- f. Items that may, by their nature, encourage violation of area regulations.

All merchandise must be marked with a selling price, point of origin, or other identification as available. Identical items may be marked by a single sign rather than individually. Acceptable labels include grease pens, stringed tags, bar codes, and other methods with approval of the area manager.

Handcraft items must be specifically labeled as such.

Merchandise made from natural products should be labeled to indicate that the product was obtained from legally authorized sources outside the area and not from rare, threatened, or endangered species.

If a merchandise item is considered a handcraft or Native American handcraft, the concessionaire should (to the greatest extent possible) have a certificate from the United States or authentic Native American handcraft producer or association of producers that the item was made in accordance with the production standards required for the designation.

Where applicable, views from the exterior looking in (e.g., from building exterior or from the lobby into area) should not be impeded by signs in windows or other obstructions.

Floor areas are to be clean and free of clutter. A routine cleaning program (whether by vacuum or other) should occur before daily opening or at the end of the day, with special attention to all floors.

Merchandise shelves and other glass areas (e.g., store windows) are to be well maintained and free of dust and fingerprints.

Products that might present safety or security concerns for children are to be maintained in areas that are not within easy reach but can be easily monitored or controlled by an employee. Displays should not be top heavy. Special attention should be paid to the appropriateness of merchandise near the checkout areas. All merchandise should be undamaged, rotated on a regular basis, and checked for cleanliness. Items of interpretive value and general value in natural and cultural education shall be prominently displayed.

Merchandise is to be securely stored during off hours, preferable not on the floor. Storage areas should be kept neat and clean and, to the extent possible, remain out of view of visitors.

#### **4. Campgrounds and RV Parks**

Area personnel will have an orientation for concessionaire employees at the beginning of each season to ensure employees are informed of unique issues (e.g., bear activity) and provide information necessary for adequate visitor assistance.

As visitors register, they will be told to read specific brochures (fishing limits, bear warnings, etc.) and be given verbal warnings along with other campground regulatory information.

All campgrounds will have a three paneled bulleting board and will exhibit campground regulation, wildlife warnings, visitor messages, activity announcements, and other pertinent information.

The concessionaire will advise the area visitor center by 9 a.m. each morning regarding when each campground is expected to fill.

The Golden Age and Golden Access Passports will be honored, except in hiker and biker sites.

The length of stay per person, party, or organization (made up from the same individuals) in the campgrounds is 14 nights.

The concessionaire will maintain a registration office in each campground where fees will be collected, campsites assigned, and material distributed. Registration offices will be open from 7 a.m. to 10 p.m. unless otherwise approved by the area manager. Hours may be adjusted during shoulder seasons.

A picnic table will be provided at each site. The picnic table will be in good condition and present no safety hazards. Sites will be cleaned after each camping stay and made ready for the next occupant.

A fire ring or grill will be supplied that is in useable condition and cleaned after each camping stay.

Each site will be numbered, and the number will be clearly identifiable both day and night.

The concessionaire will comply with all closures requested by the area manager. Closures will include, but will not be limited to, the late opening of certain camping loops based on resource protection.

A public telephone will be made available to guests on a 24-hour basis.

## **5. Camper Service Facilities**

The concessionaire will ensure the facility is maintained and cleaned on a regular schedule and clean, sanitary conditions are provided.

Restrooms and showers will be cleaned according to a posted schedule, at least twice daily.

Washing machines and dryers will be in good operating order. Out-of-order machines will be marked as such and repaired or replaced within a reasonable time.

## **6. Marina Services**

The concessionaire will post marina operating rules at the marina activities desk and provide copies to all slip and buoy renters. Rules must state that major boat repairs are to occur out of the area.

All boats must meet U.S. Coast Guard (USCG), Federal, and State regulations regarding sanitation.

The concessionaire will have at least one six-passenger USCG licensed person on staff. This individual will train, examine, and certify that boat operators have completed the practical skills requirements.

Vessels 26 feet long and longer carrying seven passengers or more must have a minimum crew of one certified operator and one deck hand.

A service boat with towing capacity will be on call 24 hours a day during the season for mechanical emergency problems. The vessel will meet or exceed the American Boat and Yachting Council recommendation for such towing use. Further information can be found at <[www.abyc.com](http://www.abyc.com)>.

The concessionaire will develop protocols to avoid slips and falls on the docks by boaters, guests, and employees.

All passenger vessels for the hire will carry one USCG Type 1 approved life preserver of appropriate size for each person on board. Life preservers for infants and small children must be of the Safety of Life at Sea type and marked accordingly.

All boats will be inspected by area personnel before each operating season. Support equipment will be inspected annually, including personal flotation devices, radios, flares, fire extinguishers, etc.

Boats carrying seven or more passengers will be inspected by a marine surveyor every 2 years in accordance with USCG standards. The inspection must include an out of water hull inspection. The area manager will receive a copy of the report along with an action plan for mitigating deficiencies.

## **7. Slip Rentals and Boat Storage**

The concessionaire will ensure that boaters renting slips have the vessel and owner name on boat trailers.

Each occupied slip and buoy will have a current agreement in place that is signed by the appropriate renter. Ownership of the vessel will be documented on each agreement. Slips may not be sold or transferred by the renter. Subletting of slips is not permitted.

Only one boat will be registered to each slip or buoy.

Boat owners are responsible for securing their boats to the slip, maintaining their boats, and checking them regularly. The concessionaire is responsible for the condition of each slip, including all cable lines, cleats, connecting eyes, and other appurtenances. The concessionaire will enforce minimum standards for the lines and equipment used to secure the boat to the slip. Inadequate or faulty securing equipment may be replaced by the concessionaire at the boat owner's expense when necessary to adequately secure a boat.

## **8. Rental Vessels**

The concessionaire will provide boats that will accommodate the general range of area visitors as approved by the area manager. The concessionaire will also provide adequate dock space and facilities to clean and repair boats. The concessionaire will follow the Department of Transportation's Passenger Vessel Safety Act of 1993, including any amendments. All boats rented for visitor use shall be equipped as required by the USCG rules and regulations as provided for in 33 CFR 173-175.

All rental vessel customers will be given area and appropriate State regulations regarding water quality and "rules of the road." Hands-on instructions in the operation of the vessel and proper use of all equipment will also be given. Emergency information must also be provided for each vessel.

## **9. Fuel Docks**

Gasoline, diesel, and pre-mix fuels and outboard motor oil and other lubricants will be readily available to the boating public.

Only concessionaire-trained fuel dock employees will be allowed to work on the docks. Fueling employees will be responsible for the proper fueling of all vessels (private and concessionaire owned) and instructing the boating public who wish to fuel their own vessels on the appropriate safety measures that must be undertaken before fueling the vessel. Concessionaire trained fuel dock employees must directly supervise the fueling of the vessel by the boating public. All fuel dock personnel will be trained in boat fire suppression, fireboat operations, and in the use of spill containment countermeasures. OSHA hazardous spill training is required and will be coordinated with the area manager.

Spill containment equipment will be readily available and stored at the fuel dock. A ratio of approximately 3 feet of boom to every foot of the largest boat in boat storage or service is recommended.

The concessionaire will provide water-based sanitary pump-out facilities at the marina of sufficient capacity to accommodate the boating public without unreasonable waiting times. All holding tanks and wastewater delivery lines shall meet applicable Federal and State codes for this type of service. Visitors will pump out their own boats. This service will be provided at no charge.

## **10. Guided Fishing**

All guides will comply with State and area fishing regulations.

Fishing guides will have certification in boat standard first aid (or higher) and cardio pulmonary resuscitation (CPR).

Guides who have been certified in first aid and CPR during the last 18 months, but whose certification has expired, may guide trips for up to 30 days pending recertification. Documentation must be provided to the area manager when a guide is recertified.

Before each operating season, a written list documenting the first aid and CPR expiration date of all guides must be submitted to the area manager. These lists must be updated whenever changes warrant.

Serviceable and proper fitting personal floatation devices (P.F.D.) sufficient for the size of the party, including the guide, must be available in the boat.

Fishing boats will contain all equipment required by the USCG in accordance with 46 CFR Parts 24-28.

Each fishing boat shall have a waterproof first aid kit. The following items are recommended, at a minimum: Band-Aids; waterproof matches; sunburn lotion or zinc oxide; one arm splint; one eye dressing kit; four triangular bandages; 3" wide adhesive tape; one 3" ace wrap; one 5" Kurlex or battle dressing; two 2" x 2", two 3" x 3", and four 4" x 4" gauze compress pads; one microshield or pocket mask; three pairs of rubber gloves; a wool blanket or other means of providing warmth; and one operable flashlight.

Before departure, guides will demonstrate proper P.F.D use and make a physical inspection to ensure that P.F.D. of appropriate size is available for each person in the boat.

A safety message must be given that explains recommended procedures to follow in case of an accident, proper positioning in the boat, what to do if a passenger falls into the water, what to do if the guide falls into the water, and explain the concessionaire's procedures for retrieval of a passenger from the water.

Each boat will provide a container suitable for stowing trash.

Safe drinking water should be carried to ensure the comfort of passengers for the duration of the trip.

## **11. Tour Boat Standards**

The concessionaire will manage tour boat operations consistent with applicable USCG regulations for the class of the vessel (46 CFR, Chapter 1, Parts 175-187 (subchapter T)) and other applicable regulations and Reclamation policies.

All tour boats will have current USCG certification to carry passengers for hire.

New or replacement tour boats must meet USCG specifications and are subject to USCG and area manager approval.

The concession will offer \_\_\_\_\_. **[NOTE TO PREPARER: STATE WHAT THE SCHEDULE WILL BE (i.e., three scheduled times a day for 1 1/2 hour scenic lake cruises, 6 days a week).]**

During times when the tour boat is not being used for scheduled tours, groups may charter the boat.

Cruises may be cancelled if there are 10 or fewer passengers.

Captains will provide interpretation while piloting the boat. The area may provide personnel for one or two tours per day during the peak season.

## **12. Corral Operations (Livery)**

Authorized trails will be identified on the land assignment (exhibit \_\_\_\_).

Off trail use is not permitted.

All wranglers must have current certification in both standard first aid (or higher) and CPR.

All wranglers must have experience or training in feeding, grooming, and caring for stock; handling stock; leading rides; and offering interpretation during rides.



The concessionaire shall maintain toilets at each corral.

In areas where toilet facilities are not available, clients will be informed of proper backcountry sanitation procedures.

Any water provided to guests must be safe.

Each rider must be equipped with a first aid kit. Recommended items include a bite stick, CPR microshield, laceration packs, ABD pads, 4" x 4" pads, roller gauze, silk tape, triangular bandage, eye wash, exam gloves, cold pack, antibiotic ointment, flashlight, scissors, way to irrigate, and a way to keep the victim warm (adapted from "Advanced Life Support Medical Products" first responder trauma kit.)

The concessionaire is required to maintain corrals and other areas where horses are kept weed free to reduce the likelihood of introducing weeds to the area. The control of weeds and pests by chemical and other means is subject to approval of the area manager.

Before beginning operations each season, the concessionaire must furnish the area manager with a written list of wranglers documenting their first aid and CPR expiration dates.

Wranglers who have been certified in first aid or CPR during the past 18 months, but whose certification has expired, may guide trips for 30 days pending recertification. Documentation must be provided to the area manager when the wrangler is recertified.

Groups, including wranglers, shall travel in single file.

When two groups pass each other, one group should move off the trail and remain still until the other group has passed.

Riders must slow their horses to a walk when approaching and passing people on foot.

Grazing horses in the area is prohibited.

Horses will be tied to hitch rails in all areas where they are provided. If no hitch rail is available, horses may be tied to a high line between two trees. Horses will not be tied directly to any natural feature.

Wranglers will take extreme care to ensure protection of flora, fauna, and other area resources.

Wranglers will notify area personnel about any obstacles, hazards, or other problems in the trails as soon as possible.

### **13. Stock and Tack and Other Equipment**

A current health record and immunization record for each horse shall be on hand and made available for inspection by Reclamation upon request. If an animal has an infectious disease, the concessionaire will notify the area manager immediately.

The concessionaire will maintain all equipment and tack in a safe, operable, and clean condition and will establish procedures for evaluating equipment and tack conditions and for properly maintaining tack.

Helmets should be available for any rider desiring to wear one. Helmets must be in good condition and available in a range of sizes.

The concessionaire shall not use any trail when it is muddy or unstable. Before the operating season, the concessionaire will coordinate with Reclamation to ensure trails are dry enough to use.

To prevent resource damage during the operating season, Reclamation shall observe trail conditions and close trails when they are too wet for horse use. Reclamation shall give the concessionaire as much advance notice as possible (preferably 24 hours). During a closure, Reclamation shall monitor conditions and reopen the trails as soon as they are dry enough for use.

All hay shall be certified as weed-free.

Hay must be stored inside a fence or other type of enclosure to preclude access to animals inhabiting the area.

Grain shall be stored inside an animal-proof building.

Horses shall be groomed daily and have their hoofs cleaned daily. Grooming is defined as removal of all burrs, dirt, and manure that might harbor seeds.

To reduce introduction of exotic plants, horses brought into the area must be kept in the corral for 48 hours before they are taken on area trails.

Stock shall be selected on the basis of good health, good appearance, and mild disposition. Any animals with a temperamental or unsafe disposition will be removed from use. Any animals suffering or unsafe disposition will be removed from use. Any animals suffering from illness, injury, or an unsightly but not disabling condition shall be removed from use.

Dead horses must be removed or disposed of as soon as possible, but within 24 hours, at the concessionaire's expense.

**F. CONCESSIONAIRE REVIEW PROGRAM**

1. The Concessionaire will manage operations and services to ensure the protection of resources and compliance with public health requirements and to provide satisfactory services for the area visitors within the assigned area of responsibility. The operation of facilities and services authorized by the concession contract will conform to the evaluation standards set forth in current Reclamation guidelines.
  
2. Reclamation will conduct performance evaluations that address operations, facilities, health, safety, and all other performance requirements stipulated in the concession contract. The following chart sets forth the evaluation schedule.

**Evaluation Schedule**

	<b>Operation/Facilities Review</b>			<b>Overall Contract Compliance</b>
<b>Evaluation</b>	Operation and Facility Evaluations	Public Health Service Inspections	Safety and Environmental Evaluations	Contract Compliance
<b>Frequency</b>	Semiannual	Semiannual	Annual	Annual

3. Reclamation will evaluate concessionaire operations and facility conditions annually or as considered necessary. Reclamation will conduct or arrange for the conduct with a qualified entity. Public Health Service inspections will be conducted semiannually. Safety inspections and overall Contract Compliance Review Programs will be conducted annually or more frequently, as determined necessary. One of the evaluations must be conducted during the high-use season. The contract compliance review shall focus on concessionaire compliance with the following terms of the concession contract:

- Improvement Management Plan (IMP), CFIP, and RAFI requirements.
  
- Operations and Services.
  
- Concession employees.
  
- Rates.
  
- Maintenance and operation.
  
- Utilities.
  
- Accounting records and reports.
  
- Franchise fees.

- Bond and lien.
  - Insurance.
4. The concessionaire will meet with area officials to prioritize and schedule the correction of deficiencies and the implementation of improvement programs resulting from these inspections. The concessionaire will be responsible for correcting deficiencies and developing abatement plans within the dates assigned by the area.
  5. If the concessionaire receives an “unsatisfactory” rating in any review evaluation, the concessionaire shall be given a specified period of time to correct the deficiencies that were the basis for the “unsatisfactory” rating. A single critical deficiency may be sufficient to warrant an “unsatisfactory” rating.
  6. If the concessionaire fails to remedy the deficiencies and, thereby, obtain a “satisfactory” rating or better within the period of time specified in the notification, the concessionaire shall be considered to be in default of the concession contract, and the concession contract may be terminated at the discretion of the Secretary.

Reclamation may also, at its own discretion, close part of a concessionaire’s operation when necessary for the protection of the resources or the safety or welfare of people or property. Reclamation may also take appropriate administrative action in direct relationship to the severity or magnitude of the problem.

7. The concessionaire may appeal a review evaluation rating in writing to the area manager. The appeal shall present whatever supporting information the concessionaire feels is appropriate and necessary to substantiate its appeal. A final determination will be made by the area manager.

## **G. RATE DETERMINATION AND APPROVAL PROCESS**

It is the objective of the area manager to ensure that the concessionaire’s rates and charges to the public are commensurate with the level of services and facilities provided and are reasonable, justified, and comparable with similar facilities and services provided by the private sector.

All requests for annual changes will be submitted, in writing, by March 1 to allow for anticipated implementation dates, brochure publication dates, and customer notification. Rate requests require support by established criteria and comparable data. The information to be included in the request is outlined in current Reclamation guidelines. New rates will be evaluated once a year unless there are extenuating circumstances that require rates to be re-evaluated. Reclamation will consider alternative rate settings methodology to reflect substantial changes in service quality, expenditures, or required investment.

The area manager will approve, disapprove, or adjust rates and will inform the concessionaire within 30 days of the rate request submittal. It is the responsibility of the concessionaire to submit rate requests in a timely manner.

All rates for goods and services will be available to visitors upon request.

The area manager will periodically conduct onsite comparability studies with follow up telephone calls to update rate information for a rate review. Rate compliance will be checked during period operation evaluations and throughout the year. Approved rates will remain in effect until superseded by written changes approved by the area manager.

Goods and services may not be provided to Government employees or their families without charge or at reduced rates, except as available to the general public.

Credit cards will be honored including, at a minimum, American Express, Visa, and MasterCard. The concessionaire will accept debit cards at its discretion or at the direction of the area manager.

**[NOTE TO PREPARER: USE IF APPROPRIATE.] The concessionaire will provide ATM machines. The machines will be in a convenient and secure location and will be subject to the approval of the area manager. Any income received will be included in gross receipts.**

A deposit requirement and refund policy is part of the rate approval process. The policy will be included in all brochures and reservation confirmations.

- a. A deposit may be required to hold a reservation and may be paid by cash, check, money order, or major credit card.
- b. Refunds will be processed within 2 weeks of cancellation.

Rates confirmed by the concessionaire, as identified in the reservation confirmation, will be honored during the entire time of stay.

## **H. ADVERTISING AND SIGNS**

Before the Reclamation emblem, logo, or name is displayed in advertisements or on signs, its use must be approved by Reclamation. Outdoor signs or other forms of advertising must not be displayed on the Federal estate without the written approval of Reclamation. The Reclamation logo or name will be obvious at entrances to all concessions.

All signs will be professionally made, not hand-printed, and approved by the area manager. Concessionaires must follow the general guidelines for signs as described in Reclamation's Sign Guidelines.

Concessionaires will be required to notify the public that they are authorized by Reclamation to conduct business on the Federal estate. All promotional material, regardless of media format (i.e., printed, electronic, broadcast), provided to the public by the concessionaire in connection with the services provided under the concession contract must be approved in writing by Reclamation. At a minimum, all such material will identify the concessionaire as an authorized concessionaire of the Department of the Interior, Bureau of Reclamation. The concessionaire will contact the area manager in advance to establish specific timeframes for each project review.

Brochure changes and layout should be submitted to the area manager for review at least 30 days before projected need or printing dates. The area manager will make every effort to respond to minor changes to brochures and other texts within 15 days. Longer periods may be required for major projects or if Reclamation assistance is required to help develop the product. The concessionaire should contact the area manager in advance to establish specific timeframes for each project.

## **I. LOST AND FOUND**

The concessionaire will establish and provide an effective program for handling lost and found or unattended property in facilities and upon assigned areas of the concessionaire.

Items lost or found within the concessionaire facilities will be processed as follows:

1. Items will be tagged at the facility where they are found or turned in by completing a Lost and Found Report, which identifies the item, date, location, and name of the finder.
2. A Lost and Found Report will be completed indicating name, address, and telephone number of the person reporting a lost item, description of the item, date and location of the loss, and the name of the person taking the report.
3. The concessionaire will hold all found property for 60 days. Efforts will be made to return found items to the owner within the 60-day period.
4. No items will be released without claimant providing proper identification of the item, name, address, and signature of receipt.
5. Unclaimed items will be returned to the finder, if so requested.
6. Unclaimed items not returned to the finder can become the property of the concessionaire or will be donated to a charitable, non-profit organization. Items of little or no value may be destroyed. Disposition of items will be noted on the Lost and Found Report.
7. Lost and Found Reports will be retained by the concessionaire for 3 years.

Items found outside the concession facilities or land assignment will be processed as follows:

1. Finders shall be instructed to take items to the permits desk at the area headquarters to be processed by the area manager.

## **J. SAFETY, SANITATION, AND SECURITY**

1. The concessionaire shall comply with the applicable requirements of the Maintenance Plan, OSHA, and other Federal, State, and local safety codes, statutes, and standards. The concessionaire shall exercise precautions for the safety of all people within its facilities at all times.
2. The concessionaire is required to ensure that the concession facilities comply with applicable Federal, State, and county laws; regulations; policies; and Reclamation guidelines concerning smoking in public facilities.
3. The concessionaire shall provide an effective system for the collection and disposal of garbage and trash within its areas of responsibility. Trash cans shall be conveniently located. The concessionaire shall keep assigned areas free of foul odors, litter, debris, garbage, abandoned equipment, vehicles, furniture, and fixtures. Refuse shall be stored in receptacles that are covered, waterproof, bear-proof, and vermin-proof. Major sanitation facilities and large trash receptacles or bins shall be screened from public view by foliage or constructed screening and placed as far from heavy public use areas as is reasonably possible.
4. The concessionaire shall provide facilities and services necessary for recycling aluminum, newspaper, glass, plastic, and cardboard generated within the assigned area of operation. The concessionaire shall promote recycling and make it convenient for public use.

**[NOTE TO PREPARER: This section should describe the garbage collection method to be used in the concession operations and provide details relating to that method. The following wording is presented as an example and should be modified to reflect the actual garbage collection program to be implemented.]** During the summer, the concessionaire will engage an independent contractor for the removal of the trash and garbage generated by its facilities. Included in its contract are the following procedures: The contractor supplies and delivers the size and number of bear-proof, lockable bins specified by the concessionaire. The contractor is responsible for emptying all bins as need, picking up any trash or garbage that should fall from the container being emptied, and maintaining the cleanliness of the bins to minimize the attraction of insects and wildlife. In areas where trash or garbage pickup noise may disturb guests, the contractor is restricted to pickups between 8 a.m. and 5 p.m. If it is necessary for the contractor's garbage truck to be parked within the concession area overnight or longer, the truck will be based within the concessionaire's assigned area.

5. At a minimum, the concessionaire will provide sanitation training for food service managers at the start of their employment in a food service facility and at least once every 5 years thereafter. Posters illustrating basic sanitation procedures shall be posted in employee food service areas.
6. Information on all illnesses among employees or guests is to be promptly reported to Reclamation. This information, along with other information received, will be evaluated by the appropriate area staff to help identify outbreaks of illness associated with contaminated water or food sources or caused by other adverse environmental conditions.
7. Protection and Security:
  - a. The concessionaire shall support Reclamation's efforts to protect the resources. Any harm to or alteration of natural, paleontological, historic, or archaeological objects or structures is prohibited. The concessionaire shall ensure that its employees and customers leave artifacts and objects in place and do not enter ruins if ruins are present. If the concessionaire observes signs of vandalism of any kind, including defacement of rocks, damage to the Federal estate, or damage to property, the concessionaire shall notify Reclamation as soon as possible.
  - b. The concessionaire shall restore any resources damaged by its operation. Restoration measures shall be determined and directed by Reclamation.
  - c. Fishing shall be in accordance with laws and regulations of the State in which the concession and area office is located.
  - d. The concessionaire must ensure that all buildings within the assigned area of operation meet Fire and Life Safety Codes and that fire detection and suppression equipment is in good operating condition at all times. It is also the concessionaire's responsibility to report all structural fires immediately. In the event there is no existing paid formal fire department in the area, the concessionaire will allow employees to be on the various developed area volunteer fire brigades and will allow paid time away from their primary duties for necessary training and response.
  - e. All injuries sustained by visitors or employees in concession facilities and all medical emergencies should be reported immediately to Reclamation. All employee and visitor illness complaints will be reported immediately to Reclamation so that thorough investigative procedures can be completed, as necessary. Depending upon the size and remoteness of a concession operation, Reclamation may require, through the contract, the concessionaire to provide some level of first aid or even qualified emergency medical technician care to their customers. Concessionaires will provide first aid kits prominently displayed in appropriate areas. The



concessionaires are required to have employees attend emergency medical training, including CPR and First Aid courses. This is required for some job assignments.

- f. Concessionaire-employed security personnel have no authority to take law enforcement action or carry firearms. Concessionaire-employed security personnel are empowered to enforce the concessionaire's employee policies and housing regulations.

**[NOTE TO PREPARER: The preparer should omit this clause if the concessionaire will not be required to provide security personnel during peak periods.]**

During peak visitor periods (\_\_\_\_\_) **[NOTE TO PREPARER: Insert dates for the peak period or period during which security must be provided.]**, the concessionaire shall provide security personnel to handle in-house employee issues and to check concession facilities for safety security purposes.

## **K. TAXES AND ASSESSMENT**

The concessionaire will pay or cause to be paid all taxes and assessments levied or assessed upon the possession, use, or occupancy of the premises. The concessionaire is liable for prompt payment of electrical, gas, refuse collection, telephone, sewage disposal, water, or any other utility or service bills, whether issued by governmental authority, public, or community service company.

## **L. UTILITIES**

**[NOTE TO PREPARER: This list should be revised to reflect the actual utility services that will be provided by Reclamation to the concessionaire. Include information on the rates that will be charged and any conditions that may be placed on the provision of utilities.]**

1. The concessionaire will be billed in accordance with Reclamation policies, which require that the utility rates charged to the concessionaire reflect either actual costs incurred by Reclamation or comparability, whichever is greater. The following utilities are provided by Reclamation:
  - Water.
  - Sewer.
  - Electricity.
  - Waste disposal.
  - Propane.

The concessionaire is responsible for contracting with independent suppliers to provide utility services not provided by Reclamation including **[NOTE TO PREPARER: Identify those services that are not provided by Reclamation.]**

2. Utility pass-through revenues **[NOTE TO PREPARER: This section should be included only if it applies to the concession operation being contracted.]**

The concessionaire shall provide the area manager with monthly reports on utility rates recouped as pass-through revenue during the reporting month. If, during the year, the concessionaire believes, based on past and current records, that the adjusted rates may result in a substantial shortage or excess of revenues, the concessionaire should recommend changes to the area manager to bring the recouped revenue within the required range (5 percent or less of utility costs).

3. The concessionaire is liable for prompt payment of electricity, fuel, refuse collection, telephone, sewage disposal, water, or any other utility or service bills, whether provided by Reclamation, public, or a community service company.
4. The concessionaire must provide a telephone system that will allow for the use of credit cards. The area manager must provide the proposed system. Telephone service is billed directly to the concessionaire by the vendor.

**[NOTE TO PREPARER: The following two paragraphs should be included if the area provides any utilities.]** The area will provide electricity, water, and sewage services, as available, to the concessionaire's assigned facilities. Reclamation will charge the concessionaire on a monthly basis for these services in accordance with current regulations and policies.

The area will review operating costs for utility systems and services annually and will notify the concessionaire, in writing, by December 1 of the rates for the upcoming year. A rate comparability study is to be done by the area manager, and rates will be based on both the study and results of the proceeding fiscal year's actual costs.

## **M. COMPLAINTS**

Complaints or comments received by Reclamation regarding concessionaire operations shall be sent to the concessionaire for investigation and response in a timely manner. The concessionaire shall provide Reclamation with a copy of its response to all visitor complaints related to its operation. A copy of any Reclamation response will be forwarded to the concessionaire.

## **N. INCIDENT REPORTS**

The concessionaire will immediately report to Reclamation (1) any fatalities or visitor-related incidents that could result in a tort claim against the concessionaire or the United

States; (2) property damage over \$500; (3) any employee, visitor, or stock injuries requiring more than minor first aid treatment; (4) any fire; (5) any motor vehicle accidents; (6) any incident that affects the natural or cultural resources; and (7) any known or suspected violations of law involving concession employees or people not employed by the concessionaire.

## **O. STAFFING AND EMPLOYMENT**

### **1. Concessionaire Hiring**

- a. The concessionaire will attempt to offer concession employees a full workweek when possible. Before employment, the concessionaire will inform employees (in writing) of the possibility that less than full-time employment may occur during slow periods.
- b. The concessionaire will establish hiring policies that will include appropriate background reviews of applicants for employment.
- c. Drivers of delivery trucks or passenger carrying vehicles shall have a valid operator's license for the size and class of vehicle being driven. They shall also meet any additional State requirements established for the vehicle driven or passengers carried.
- d. The concessionaire will hire a sufficient number of employees to ensure satisfactory visitor services throughout the year.
- e. The concessionaire will maintain, to the greatest extent possible, a drug-free workplace. The concessionaire will conduct educational program(s) for its employees to deter substance abuse. The concessionaire will ensure that those employees who are in safety sensitive positions, such as boat captains, may be required to participate in random drug testing. Should any illegal drug use occur within the area, it must be promptly reported by the concessionaire to the area manager.
- f. The concessionaire will establish hiring policies that will include appropriate background review of applicants for employment.
- g. The concessionaire and its employees shall not discriminate against any individual because of race, creed, sex, national origin, sexual orientation, or physical or mental handicap and shall comply with equal opportunity and accessibility standards and requirements.
- h. At a minimum, all employees will be issued an employee photo identification card that includes their name and an expiration date based on the employee's anticipated departure date. These identification cards will be collected by the concessionaire upon termination of employment or at the end of the season for seasonal employees. These identification

cards will not be transferable. The concessionaire will ensure that all employees wear uniforms or standardized clothing and a personal nametag. Employees will be neat and clean in appearance and will project a hospitable, positive, friendly, and helpful attitude. The area manager will approve uniforms at the beginning of the concession contract and changes shall require approval from the area manager before being implemented.

## 2. Employee Housing

**[NOTE TO PREPARER: Only include the following section if concession operations provide employee housing. The following language should be tailored to suit the needs of the concession operation being contracted. Reclamation's main concern should be with employee health and safety. Financial terms for employee housing are likely to be market driven. That is, the concessionaire may be expected to charge employees for housing according to what is possible and necessary to attract the quality employees they desire, given the competition for such employees.]**

- a. The concessionaire will provide housing and food service for concession employees when feasible. The room and board account should be a break-even account to the extent possible. The concessionaire should ensure that employee room and board charges do not exceed earnings as a result of mandatory reduction in work.
- b. When concession employees are housed in Government-owned facilities (not including those assigned to the concessionaire) or on Government-owned trailer sites, Reclamation will bill the concessionaire as appropriate.
- c. The concessionaire will inspect all quarters for fire and safety compliance within 30 days after initial occupancy of a residence. Monthly fire drills will be performed by the concessionaire in all dorm buildings of more than one story. Employee rooms will be adequately furnished to serve the number of occupants.
- d. The concessionaire will provide adequate cooking and food storage facilities when appropriate. The concessionaire will ensure employee compliance with health, fire, and safety code regulations and Reclamation policies and guidelines. Food storage facilities shall be bear- and vermin-proof.
- e. The concessionaire shall provide facilities and services necessary for recycling aluminum, newspaper, glass, plastic, and cardboard generated within all employee housing areas. The concessionaire shall promote recycling and make recycling convenient for employees.

- f. Employee housing managers will notify Reclamation of vehicles that are abandoned within assigned employee parking lots. These vehicles will be towed at the expense of the owner, or of the concessionaire if the owner is no longer in the area or otherwise will not or cannot pay.
- g. Long-term exclusive use or extended period usage refers to visitor lodging and not employee housing, as authorized by the Secretary. Employee housing is not considered an exclusive use under the terms of the concession contract.

### **3. Reclamation Employees and Families**

- a. The concessionaire shall not employ in any status a Reclamation employee, the spouse of a Reclamation employee, or minor children of Reclamation employees without the area manager's approval. Reclamation employees must submit a written request to the area manager requesting that their spouse or minor children be allowed to work for the concessionaire. The concessionaire shall not employ in any status the spouse or children of the area manager, assistant area manager, employees with direct concession management responsibilities, or safety officer or other Reclamation area of management officials.

### **4. Training Program**

**[NOTE TO PREPARER: Add specific personnel training programs, as appropriate, to the area of operations needs.]**

- a. The concessionaire will provide employee orientation and training and will inform employees of the regulations and requirements that affect their employment and activities while residing and working for the concessionaire. Additional orientation pertinent to the developed area where the employees are assigned will be conducted by the concessionaire with Reclamation participation on location.
- b. The concessionaire will provide appropriate job training to each employee before duty assignments and working with the public.
- c. The concessionaire will provide hospitality training for employees who have direct visitor contact or who provide visitor information.
- d. The concessionaire will provide sanitation training to food service personnel at the start of their employment in a food service facility and as needed to comply with the most recent edition of the U.S. Public Health Service Food Code.

- e. The concessionaire will provide applicable training in environmental and risk management to employees.

**[NOTE TO PREPARER: If interpretive services are to be required of the concessionaire, include the following section.]**

- f. The concessionaire will design and provide interpretive training for all employees who provide interpretive or informational services. Reclamation will work closely with the concessionaire to refine the methods of preparing and conducting effective interpretive programs. Reclamation will evaluate interpretive visitor services to ensure appropriateness, accuracy, and the relationship of the interpretive program to themes of the area.

Employees shall be encouraged to attend any Reclamation sponsored training relating to concession operations in the area. Employees, especially managers, may attend other Reclamation training as space permits and as deemed appropriate by the area manager.

## **P. VENDING AND ICE MACHINES**

**[NOTE TO PREPARER: This section may not be applicable to all concession operations. It should be omitted if the concession being contracted will not provide vending or ice machines.]**

1. Vending and ice machines and their locations will be easily identified, adequately illuminated, conveniently located, and of a design and color that complements the aesthetics of the building and surroundings. Reclamation will approve all locations and designs. All machines will be clean, properly stocked, and in good working condition. Signing on the machine will be generic in nature. Brand information should only be visible when at the machine.
2. Because of the inability to effectively regulate the use of cigarette vending machines by minors, cigarette vending machines are prohibited in the area of operation by the concessionaire.
3. When out of order for the season, signs will be posted on the vending machines with appropriate information that will direct patrons to the closest available unit.

## **Q. VOLUNTEERS**

1. The concessionaire will allow employees to participate in volunteer programs.

**R. QUIET HOURS**

1. Quiet hours will be enforced between the hours of 10 p.m. and 6 a.m. in all concession overnight facilities and the concessionaire’s employee housing areas.

**S. RESERVATIONS**

Reclamation, in conjunction with the concessionaire, must authorize reservation and refund policies for lodging, houseboat rentals, and other concession services that visitors secure in advance. Concessionaires should develop reservation procedures, including standards for deposits and cancellations, that are patterned after industry or local or regional standards. Conditions for deposit refunds or cancellation fees must be clearly stated in the concessionaire’s rate schedule and advertising materials. Concessionaires may not accept reservations and associated deposits more than 2 years in advance, and concessionaires should consider capacity limits when accepting any reservation.

After consultation with the concessionaire, and in consideration of issues of mutual concern, this Operating Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the concessionaire and Reclamation.

Date: \_\_\_\_\_ this \_\_\_\_\_  
day of \_\_\_\_\_ year \_\_\_\_\_

Concessionaire: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Bureau of Reclamation

Area Manager: \_\_\_\_\_

Area Name: \_\_\_\_\_

## SUBCHAPTER 2-9 – EXHIBIT H: IMPROVEMENT PROJECT PROCEDURES

### A. INTRODUCTION

This exhibit presents step-by-step procedures for the administration of concessionaire building projects (construction, rehabilitation, improvements, and repair and maintenance projects) within Reclamation area. Project planning and design are presented first, followed by guidelines for project supervision. All projects undertaken by the concessionaire require a coordinated effort between the concessionaire and the area manager. This exhibit applies to the building of improvements, including new structures or facilities, rehabilitations, and the repair and maintenance (“R&M projects”) of existing concession facilities that change the nature, appearance, or value of existing concession facilities. Day to day facility operations, custodial, and preventive maintenance and maintenance needed for facility operations are not considered R&M projects subject to these procedures. Repair and maintenance is also not to be considered a project subject to these procedures when the activity does not change the nature, appearance, or value of existing concession facilities. All projects must be proposed, approved, and accomplished under these procedures. In the event of any inconsistency between this exhibit and the main body of this concession contract, the main body of the concession contract will prevail.

**[NOTE TO PREPARER: Omit the following text, up to the bracketed word “END” if there is no capital investment recovery in this concession contract.]**

In accordance with section 5 of this concession contract, only certain new capital improvements, construction, rehabilitation, and maintenance and repair projects may qualify for CIR. Following these administrative procedures for both CIR and non-CIR projects will enable Reclamation to approve CIR and ensure that all requirements of law and Reclamation policy are undertaken with respect to any project.

In addition, these procedures will enable CIR to be evaluated in a methodical way. The documentation collected and organized by the use of these guidelines will provide a record of decision or “paper trail” of project development and implementation that will assist Reclamation and the concessionaire in future planning and facility appraisal.

**[END]**

All project activities shall be directed and managed as presented in the annual IMP. In addition to these activities, the IMP should present a schedule of project development and implementation, as presented below under Item B, Project Planning and Design, paragraph 1. Individual projects included in the IMP will be authorized by Reclamation through an approved project statement (PS).



Projects may be required to be reviewed under the National Environmental Policy Act (NEPA) of 1969, as amended. Projects within historic and culturally significant areas may require certain building management methods established under the National Historic Preservation Act of 1966, as amended. All construction shall comply with codes and building requirements adopted by Reclamation, including without limitation and where applicable, the most recent International Building Code; NFPA codes; the Americans with Disabilities Act requirements; Reclamation Manual Policy and Standards and Directives; and the Reclamation Concession Management Guidelines. All concession facilities shall be harmonious in form, line, color, and texture with the surrounding landscape.

The concessionaire is responsible for all aspects of project development and implementation. The role of Reclamation is to provide direction, authorization, and oversight. The concessionaire and Reclamation staff must work closely together to successfully complete construction projects in a manner that achieves the goals and objectives of the area of operation and of Reclamation.

## **B. PROJECT PLANNING AND DESIGN**

The concessionaire will be provided with copies of Reclamation's Recreation Facilities Design Guidelines and Sign Guidelines to assist in meeting the conditions of this section.

### **1. Submit an Annual Improvement Management Plan**

Before approval to proceed with any project is granted by Reclamation, the concessionaire must submit an IMP for implementation the following year to the Secretary and the area manager. Some projects may require several years of planning and design before construction. The purpose of the plan is to identify the need and scope of projects 1 year in advance of actual work to allow adequate time to prepare for project commencement. The IMP should include any intended projects. Projects shown in the plan must include at least a project title, a project concept description, a brief statement of justification, and anticipated NEPA and section 106 planning and compliance established in collaboration with Reclamation staff.

### **2. Notify Reclamation of Intent-to-Proceed**

The concessionaire shall formally notify the area manager and the Secretary, in writing, of intent to proceed with any facility planning, design, or projects. To assist Reclamation in sequencing and scheduling necessary support staff, the project must be identified in the IMP the calendar year before the project is to begin. The time of notification shall be sufficiently in advance of any concessionaire budget formulation to ensure the requirements of the area manager are included in the project scope before the project is funded.

### 3. Identify a Project Coordinator

The concessionaire project coordinator must be identified for each project. This person should have the authority to obligate project expenditures and hire and direct consultants, contractors, and concessionaire support staff.

### 4. Prepare a Proposed Project Statement

Arrange and facilitate a project planning conference with Reclamation staff and prepare a proposed project statement (PS) to be submitted to the area manager for review. The conference should be performed on the proposed project site, if needed.

- a. **Conference Goal and Product.**—The primary goal of the conference is to clearly identify the project concepts and scope in sufficient detail to carry the project through to completion without significant deviation from an approved PS.

The product of the conference should be an approved PS prepared by the concessionaire resulting from collaboration between the concessionaire and the area manager.

- b. **Project Statement Content.**—The PS shall include the following at a minimum: project description; justification; scope of work, including NEPA and NHPA section 106 planning and compliance; estimated total project price; proposed schedule; milestones of Reclamation design review; and third party project inspection and certification. The elements of the PS will function as check points of accountability and will vary in frequency and scope, depending upon the nature, complexity, and scope of the proposed project.

**[NOTE TO PREPARER: Omit (c) and (d), below, and renumber subsequent sections if there is no CIR in this concession contract.]**

- c. **Capital Investment Recovery.**—If the concessionaire seeks CIR as a result of a construction project, the concessionaire must request and receive the written approval of the proposed construction project by the area manager in accordance with the terms in this concession contract. An estimate of the amount of CIR shall be identified in advance if the concessionaire requests CIR. The estimated CIR costs shall be separately identified as part of the total project price and substantiated, if requested, with written and competitively acquired price proposals or construction contracts. Not all projects qualify for CIR.

- d. **Expected Value of Capital Investment Recovery.**—The concessionaire’s expected CIR value in real property improvements is determined by the method described in exhibit C of this concession contract.
- e. **Professional Services and Construction.**—The concessionaire must ensure that, for any project requiring professional services, such services shall be acquired from appropriate registered technical professionals. Licensed contractors shall perform all project work unless otherwise approved in writing by the area manager. The concessionaire shall, at the request of the area manager, provide for registered technical professionals to perform project inspection or facility certification or any other service needed for project implementation.
- f. **Reclamation Operations.**—Any aspect of the proposed project where the scope of work interfaces with Reclamation operations, such as utility service connections or road maintenance operations, must be clearly identified in the PS.
- g. **New Development Design.**—All designs, layouts, and footprints for new development will be determined with the professional assistance and techniques of appropriate registered technical professionals (e.g., design specialists and landscape architects knowledgeable in the development of recreational vehicle parks, lodging facilities, campgrounds, marinas, wastewater treatment, infrastructure, maintenance, and operational support facilities). Reclamation’s Sign Guidelines should be used when planning for new or replacement signs.

## 5. **Submit Project Statement for Reclamation Review**

The proposed PS shall be submitted by means of written correspondence from the concessionaire to the area manager. A PS signed by the area manager constitutes official authority for the concessionaire to continue further project development to the level specified in written correspondence from the area manager. The concessionaire may obtain authority to complete a project when sufficient planning and design have been completed to meet the interests of Reclamation. Projects that do not have the level of required planning are likely to receive only conceptual approval and authorization to proceed with further planning or design as required to ensure Reclamation objectives are met.

**[NOTE TO PREPARER: Omit (a) and (b), below, if there is no CIR in this concession contract.]**

- a. **Project Statements Containing Claims for Capital Investment Recovery.**—A PS must present an estimate of project expenditures to be claimed for CIR purposes. The eligibility of any expenditure for CIR will not be identified until all project planning, including NEPA and NHPA

section 106 compliance, if required, is complete to the satisfaction of the area manager. An approved PS serves only as a guide for further project development to the level specified in the PS. The area manager shall approve final CIR costs only after project completion and written project closeout.

- b. **Design Required for Capital Investment Recovery Eligibility and Value.**—The area manager may require an appropriate level of design to determine whether a project is eligible for CIR and, if so, its estimated cost. The level of project planning and design required will include completion of the conceptual design, schematic design, landscaping design, footprint design, or preliminary engineering design to clearly identify the elements eligible for CIR. Some projects may require the completion of construction drawings and specifications before the proposed CIR is documented to the satisfaction of the area manager. All improvements for which CIR is claimed must be defined in the record “as-built” construction drawings and specifications when the concessionaire submits its request for CIR at project closeout.

## 6. Establish a Project File

A file of all project documents shall be held by the concessionaire as a chronological audit trail of all project decisionmaking activity for each project from concept development to completion and Reclamation acceptance. Each project shall be identified with a unique project number assigned by Reclamation. All documents entered into the file should have the project identification number clearly displayed on it as part of document identity.

**[NOTE TO PREPARER: Omit (a), below, if this concession contract will not include a CIR. Renumber subsequent sections.]**

- a. **Capital Investment Recovery Project File.**—The project file will become a CIR project file when the concessionaire requests approval of CIR. It shall be established and maintained by the concessionaire and shall include all the documents identified in Section C, Assessment, of this exhibit (below). This file shall be submitted at the time of project closeout to the area manager and Secretary as the basis for the CIR request. As part of this file, the concessionaire must maintain auditable records of all expenditures attributable to each project and have them available for review if requested by Reclamation personnel. Invoices shall contain sufficient information to identify the tasks completed or products delivered as agreed upon in contracts presenting a full scope of work. The file shall clearly provide a “paper trail” between expenditures eligible for CIR purposes and the payment of those expenses.
- b. **Typical Project File.**—The organization of a typical project file is presented in the following sections:

**Section A - Project Statement.**—The approved PS, scope of work, and a copy of the notice-to-proceed letter authorizing planning and design that was sent to the concessionaire by the area manager should be filed in this section.

**Section B - Planning.**—This section should contain documents pertaining to any project planning. Typical documents include those produced for NEPA and NHPA section 106 compliance. Also contained in this section should be any concept design, preliminary design, or schematic design correspondence and documents. When the area manager grants approval for any of the above stages of project development, correspondence from the area manager should be filed in this section.

**Section C - Assessment.**—This section should contain a record of any assessment performed during project implementation. Soil, vegetation, flood plain, structural, and electrical assessments, for example, should be filed in this section. Any other existing site or facility investigative reports and all quality assurance documents such as third-party project inspection, testing, and certification should also be filed in this section.

**Section D - Design.**—This section should contain a record of documents produced and decisions made during the design phase of a project. The design phase typically occurs when project activity has shifted from conceptual discussion to organizing detailed direction provided to a contractor for construction. Correspondence from the area manager providing design approval should be in this section.

**Section E - Project Work.**—This section should contain a record of decisions made during project work. The letter from the area manager granting notice-to-proceed with the project should be in this section. All contractor proposals, change-orders, design modification documents, daily construction activity records, weekly meeting minutes, etc., should be in this section. Documentation for larger projects should be organized according to subcontractor activity or standard specification enumeration. The final documents filed in this section should be Reclamation correspondence sent to the concessionaire providing project acceptance and closeout.

**Section F - Financial.**—This is a very important section where a copy of all contracts and contract modifications should be filed. It is important to ensure that all expenditures are accounted for. All expenditures must have supporting documentation cross-referenced with documents in other file sections, if necessary. Monthly financial detail reports shall be prepared and filed in this section with copies of all project budget documents. This section must contain all correspondence supporting CIR with appropriate cross-reference to other sections for clarity of the CIR “paper trail.” This section must contain the IRS.

Useful Life Table matching the IRS taxes filed for that year with a clear indication that the project will be capitalized or expensed. Also contained in this section shall be a copy of the project acceptance and closeout letter from the area manager that specifies the amount of CIR, if any, applicable to the project.

**Section G - Photo Documentation.**—Complete documentation, including before-and-after photos, records of any special situations or conditions requiring changes, and documentation of methods used, should be kept to support requests for CIR and to assist future maintenance or appraisal efforts. Photographic documentation is also usually required for modifications to “listed” historic structures. To be most useful, photos should be filed with the documents they support.

## 7. **Submit Resource Compliance Documents for Review and Approval**

During development of the PS, responsibility for compliance work will be established. The concessionaire must request the participation of Reclamation staff early in project planning to ensure uninterrupted project implementation. Development of compliance documentation must occur as soon as possible. Every effort shall be made to perform compliance document preparation tasks concurrently with project planning and design.

- a. **Historic and Cultural Compliance.**—Historic and cultural compliance document approval is required for property listed in or eligible for inclusion in the *National Register of Historic Places*. Any undertaking affecting property listed shall be performed in accordance with “The Secretary of the Interior’s Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings.” The concessionaire must document proposed actions before any work occurs for any project that may affect a historic structure, historic district, cultural landscape, archeological site, or historic object or furnishing. Compliance will usually require the preparation of at least “assessment of effect” drawings and specifications to the level of final documents, if required. Compliance shall carry through to submission of the “Construction or R&M Completion Report” for many projects where significant changes are made to the historic structure or landscape. Therefore, compliance document approval usually will not occur until after submission of project documents. Historic compliance review and approval will require at least several weeks from date of submittal to Reclamation. Where submittal is made to the State Historic Preservation Officer or the Advisory Council on Historic Preservation, additional time will be required before approval may be given.
- b. **Ground Disturbance.**—Where ground disturbance will take place, submittal of drawings that show area and depth of proposed ground disturbance will be required. Submittal of this document early in project

planning is recommended. All project documents that include soil disturbance shall have the following specification included within them:

Petroglyphs, artifacts, burial grounds or remains, and structural features and ceremonial, domestic, and archeological objects of any nature, whether historic or prehistoric, found within the project area are the property of, and will be removed only by, the Government. Should the contractor's operations uncover or its employees find any archeological remains, the contractor shall suspend operations at the site of discovery, notify the Government immediately of the findings, and continue operations in other areas. Included with the notification shall be a brief statement of the location and details of the findings. Should the temporary suspension of work at the site result in delays or the discovery site require archeological studies resulting in delays for the contractor; the contractor will be compensated by an equitable adjustment under the general provisions of the contract.

- c. **Archeological Monitoring.**—Monitoring project activity is a requirement of cultural compliance when significant ground disturbance occurs during project work. Any cultural resource monitoring required shall be performed under the direction of Reclamation. Reclamation shall be notified sufficiently in advance of the need for a monitor and will assist the concessionaire in making arrangements for the services of an archeological monitor at the expense of the concessionaire if Reclamation is unable to provide the expertise.
- d. **National Environmental Policy Act Compliance.**—NEPA compliance document approval is required before any construction or R&M project occurs for any project that has an impact on the environment. Projects requiring compliance will be identified by Reclamation early during project planning. The actual review period length may vary widely depending on the nature, scope, and complexity of the project elements that relate to resource compliance. Projects that have an insignificant effect on Reclamation resources usually require a “categorical exclusion” determination. Projects having a significant effect on Reclamation resources or that are not part of other NEPA compliance documentation may also require a longer period of implementation.

## 8. **Submit Project Documents for Review and Approval**

The concessionaire shall submit project documents to establish project activity for review and approval by the area manager. Approved project documents establish the full scope of the project and the quality of work to be performed by the concessionaire. The scope of the documents required will be identified in the PS. The scope and detail of the documents will vary depending on the nature and complexity of the project. “Manufacturer’s cut-sheets” may be all that is required for some R&M projects, and for others, complete detailed drawings and

specifications may be required. The concessionaire is responsible for the technical accuracy and completeness of all project documents and shall provide the technical review as needed to ensure compliance with all applicable Federal, State, and local statutes, codes, regulations, and appropriate industry standards. Any exception to this will be by written authorization from the area manager.

## **9. Submit a Project Estimate and Schedule**

An estimate of the total project price and completion schedule shall be submitted to the area manager before work begins. This is a revision of the total project price and completion schedule estimated in the PS. The project estimate and schedule are based on the best information available that was identified during project planning and design.

## **C. PROJECT MANAGEMENT PROCEDURES**

### **1. Identify a Project Supervisor**

A project supervisor shall be identified and vested with the authority to direct the contractor on behalf of the concessionaire. Reclamation will direct its communication concerning the nature and progress of project activity to this person. The project supervisor shall have full responsibility for ensuring that all construction complies with the approved project documents and specified code compliance. Reclamation will not take any responsibility for projects until project closeout and acceptance when Reclamation receives certification of completed work performed in compliance with project documents and all specified codes.

**[NOTE TO PREPARER: Insert the first section of text if there is no CIR in this concession contract. Insert the second section of text if the concessionaire will be given the right to a CIR under the concession contract.]**

### **2. Submit a Total Project Price for Review**

All projects completed under the terms of this concession contract shall include submittal of a total project price in writing to the area manager for review.

**[OR]**

### **2. Submit a Total Project Price for Review**

All projects completed under the terms of this concession contract, regardless of whether CIR is requested, shall include submittal of a total project price in writing to the area manager for review.



### 3. **Notice-to-Proceed with a Project**

A Notice-to-Proceed with a project will be issued when all submittals requested by the area manager have been reviewed and approved. The Notice-to-Proceed must be received by the concessionaire in writing before any project work occurs.

### 4. **Hold a Pre-Project Conference with the Contractor**

The concessionaire shall arrange and facilitate a pre-project conference as needed or as requested by Reclamation with the contractor. The purpose of the conference is to provide Reclamation the opportunity to meet the contractor and confirm that the contractor has full understanding and knowledge of all work to be performed. In addition, the conference provides the opportunity to confirm established communication linkages between the concessionaire, the contractor, and Reclamation. Any questions the contractor may have regarding any matter of the project or anything about area access, rules, and regulations may also be discussed.

### 5. **Submit Project Activity Reports (as Required)**

A record of project activity shall be provided by the concessionaire on all approved projects. The scope and frequency of performing this documentation shall be identified upon submittal of project documents for Reclamation approval. The concessionaire is responsible for the accuracy and completeness of all design and completed projects.

- a. **Content.**—Project activity reports shall summarize daily project activity recording important observations and decisions. They shall also identify project expenditures to date if required for CIR purposes. The reports shall identify any changes to the approved project documents either by change order or as a result of any other variance from approved project documents. Reclamation shall be notified immediately if a change is likely to occur in the total project price. (See the discussion below for review and approval of change orders and contract modifications.)
- b. **Regulatory Code Compliance and Project Inspection (as Required).**—Inspection reports specifically addressing regulatory code compliance and adherence to project documents will be required, at the request of the area manager, during certain stages of the work. Independent industry certified inspectors or registered technical professional subject area experts shall perform all inspections and project component certification. Inspection reports shall be prepared that include all findings and results of code compliance inspection. Sections and paragraphs of applicable codes shall be referenced when deficiencies are noted. Recommendations presenting remediation shall accompany line item deficiencies in the report. All

inspection reports shall be included in the final project completion report. Inspection reports must be submitted before the project is accepted by the area manager.

## **6. Submit Requests for Changes in Approved Project Documents**

The area manager's approval will be required before any significant changes are made to the project scope during the completion of projects. The concessionaire shall provide Reclamation with written notification immediately upon identifying the need for a change in project scope that affects any of the items listed below. The written notification shall include a request to change the approved project documents. The request will be complete with justification and explanation of the effect of the change on all other aspects of project design and work. Requests for any significant changes in the approved project documents shall be reported in project activity reports, and any documentation requested will be attached. Changes in approved project scope that need to be made after the work has started will require review and approval of the area manager. Some examples might include the following:

- Changes affecting natural, cultural, or historic resources.
- Changes in designated visual appearance.
- Changes in the interface with Reclamation utility or road facility maintenance operations.
- Changes in project scope or the estimated CIR, as required for facility improvement projects.
- Proposed changes that involve natural or cultural or historic resources may require a significant period of review, depending on the complexity of the concern.

**[NOTE TO PREPARER: Insert the first section of text if there is no CIR in this concession contract. Insert the second section of text if the concessionaire will be given the right to a CIR under the concession contract.]**

## **7. Submittal of Change Orders for Review and Approval**

When one of the five factors listed in (6) above exists, the concessionaire shall submit, for the review and approval of the area manager, documentation justifying the proposed changes. The concessionaire shall also submit a revised total project price for each proposed change.

**[OR]**

## **7. Submittal of Change Orders for Review and Approval**

When one of the five factors listed in (6) above exists, the concessionaire shall submit, for the review and approval of the area manager, documentation justifying the proposed changes. The concessionaire shall also submit a revised total project price for each proposed change, as needed, indicating the proposed change in estimated CIR, if any. All change orders or any other means of directing the contractor that may have the effect of increasing the total project price will require the area manager's review and approval if the project has CIR implications.

## **8. Reclamation Project Inspection**

A representative of the area manager will inspect the project periodically. These inspections are not in lieu of or in any way a substitute for project inspection provided by the concessionaire. Ensuring safe, accountable project activity and providing the contractor with direction to fulfill the full scope of approved work is the responsibility of the concessionaire.

## **9. Project Supervision Documents**

Project drawings and specifications must be kept on the project site, complete with any design or project modifications, in a well-organized form. The construction supervisor shall keep a current "red-line" copy of approved project documents updated daily showing any changes. In addition, a well-organized file of submittals required in the approved project documents and approved where required by professional architects and/or engineers must also be kept on the project site with the project documents for periodic inspection by Reclamation staff.

## **10. Substantial Completion Inspection and Occupancy**

Joint inspection by Reclamation and the concessionaire will occur upon notification that the project is substantially complete. A "punch list" of work items will be formulated and performed to "closeout" the project. The area manager will accept the project when the "punch-list" items are completed. The concessionaire will be notified in writing by the area manager. The concessionaire is not to occupy the facility until authorized in writing by the area manager.

**[NOTE TO PREPARER: Omit item 11 and renumber subsequent sections if there is to be no CIR in this concession contract.]**

## **11. Requesting Approval of Capital Investment Recovery**

Upon substantial completion of a capital improvement project, as determined by the area manager, the concessionaire must provide the area manager with a written schedule of requested CIR eligible costs incurred. The schedule becomes the concessionaire's request for CIR approval. The project file containing actual invoices and the administrative record of project implementation must support these expenditures and shall be submitted to the area manager for review with the request. If requested by the area manager, the concessionaire shall also provide written certification from a certified public accountant regarding the CIR costs. The certification must comply with the requirements of exhibit C of this concession contract.

**[NOTE TO PREPARER: Insert the first section of text if there is no CIR in this concession contract. Insert the second section of text if the concessionaire will be given the right to a CIR under the concession contract.]**

## **12. Project Completion Report**

Upon completion of any project, the concessionaire shall submit a project completion report to Reclamation. The completion report shall include the total project cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; and "as-constructed" drawings. (See item 13, below.) The level of documentation requested may also include photo documentation and the record of significant unforeseen site and construction conditions that necessitated changes to approved project documents. The approved total construction price must also be listed.

**[OR]**

## **12. Project Completion Report**

Upon completion of any project, the concessionaire shall submit a project completion report to Reclamation. The completion report shall include the total project cost; before-and-after photo documentation; warranties; operation and maintenance manuals, if required; all inspection and certification reports; and "as-constructed" drawings. (See item 13, below.) Projects where CIR is requested may require the submittal of any other similar documents deemed necessary by Reclamation to establish complete project documentation. The level of documentation requested may also include photo documentation provided during construction to record significant unforeseen site and construction conditions that necessitated changes to approved project documents and the approved total construction price.

**[NOTE TO PREPARER: Insert the first section of text if there is no CIR in this concession contract. Insert the second section of text if the concessionaire will be given the right to a CIR under the concession contract.]**

**13. “As-Constructed” Drawings**

The “as-constructed” drawings included with the project completion report for all projects shall be full-size, archival quality, prepared in accordance with Reclamation management policies and must be submitted before the project is accepted by Reclamation. At least two half-size sets of drawings shall also be provided.

**[OR]**

**13. “As-Constructed” Drawings**

The “as-constructed” drawings included with the project completion report for all projects shall be full-size, archival quality, prepared in accordance with Reclamation management policies and must be submitted before the project is accepted by Reclamation. At least two half-size sets of drawings shall also be provided. The drawings establishing CIR shall provide a full and complete record of all “as-constructed” facilities, including reproductions of approved submittals and manufacturer’s literature documenting quality of materials, equipment, and fixtures in addition to a record set of project specifications approved for construction.

**[NOTE TO PREPARER: Insert the first section of text if there is no CIR in this concession contract. Insert the second section of text if the concessionaire will be given the right to a CIR under the concession contract.]**

**14. Request Project Acceptance and Closeout by the Area Manager**

The concessionaire shall request project acceptance by the area manager either at the time of submittal of the Project Completion Report or at any time thereafter. Project acceptance will be contingent upon fulfillment of all requested project completion work tasks and submittal of all project documentation in accordance with these guidelines and as requested by Reclamation. Until receiving formal written project acceptance and closeout from the area manager, the concessionaire retains full responsibility for all project construction activity and liability for both completed and uncompleted work.

**[OR]**

**14. Request Project Acceptance and Closeout by the Area Manager**

The concessionaire shall request project acceptance by the area manager either at the time of submittal of the Project Completion Report or at any time thereafter. Project acceptance will be contingent upon fulfillment of all requested project completion work tasks and submittal of all project documentation in accordance with these guidelines and as requested by Reclamation. Until receiving formal written project acceptance and closeout from the area manager, the concessionaire retains full responsibility for all project construction activity and liability for both completed and uncompleted work. For CIR projects, the project closeout letter issued by the area manager will specify the granted amount of CIR value resulting from the project.

**Exhibit H Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## SUBCHAPTER 2-10– EXHIBIT I: INSURANCE REQUIREMENTS

The concessionaire shall obtain and maintain during the entire term of this concession contract, at its sole cost and expense, the types and amounts of insurance coverage as set forth below and necessary to fulfill the obligations of the concession contract.

With the exception of statutory worker’s compensation insurance protection, Reclamation shall be named as an additional insured under all insurance policies issued or arranged in support of this agreement. The coverage provided for the benefit of Reclamation is not to be impaired by the concessionaire, its agents, servants, or employees. Reclamation shall, solely for its benefit, be provided an unconditional 30-day advance notice of cancellation, non-renewal, or material change in coverage or policy terms. The term “Reclamation” shall, by definition and where appropriate and legally permissible, also include the term “United States Government/United States of America.”

The amounts of insurance and coverage terms indicated are not intended as a limitation of the concessionaire’s responsibility or liability under this agreement, but rather an indication as to the minimum amount and minimum scope of insurance that Reclamation considers necessary to allow the operation of the concession facilities at its area. Nevertheless, if the concessionaire purchases insurance in addition to the limits illustrated herein, Reclamation is to receive benefit of the additional amounts of insurance without additional cost to Reclamation.

### A. PROPERTY INSURANCE

#### 1. Building(s) and/or Contents Coverage

- a. Insurance shall cover buildings, structures, improvements, betterments, and contents for all concession facilities, as specified below in B.7. of this exhibit to the concession contract.
- b. Coverage shall apply on an “all risks,” “special coverage,” or “open peril” basis.
- c. The policy shall provide for loss recovery on a replacement cost basis. **[NOTE TO PREPARER: This provision can be changed to allow for surplus line, deductible plans, self-assumption, and actual cash value. Please see chapter 14 for guidance on proper authorization and applicability.]** The approved values for the replacement cost of each Structure to be insured are set forth in B.7. Property Replacement Cost for Insurance Purposes, of this exhibit. These values will be updated by Reclamation every 3 years, or more often if there is a substantial change in value.

- d. The amount of insurance should represent no less than 90 percent of the property replacement cost of the insured property. **[NOTE TO PREPARER: Remove this clause if insurance is not required on a replacement cost basis.]**
- e. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.
- f. Coverage is to be provided on a blanket basis. **[NOTE TO PREPARER: This clause may not be appropriate for the concession operation being contracted. Refer to chapter 14 to determine whether the coverage should be provided on a blanket basis. This section should be omitted if the coverage will not be provided on a blanket basis.]**
- g. The vacancy restriction, if any, must be eliminated for property that will be vacant beyond any vacancy time period specified in the policy.
- h. **[NOTE TO PREPARER: Consider whether appropriate for concession operation; omit if not applicable.]** Flood coverage shall be maintained with a limit of not less than \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- i. **[NOTE TO PREPARER: Consider whether appropriate for concession operation; omit if not applicable.]** Earthquake coverage shall be maintained with a limit of not less than \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- j. Ordinance or law coverage shall be maintained with a limit of not less than \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

## 2. Boiler and Machinery Coverage

**[NOTE TO PREPARER: Consider whether appropriate for concession operation; omit if not applicable.]**

- a. Insurance shall apply to all pressure objects within concession facilities.
- b. The policy shall provide for loss recovery on a replacement cost basis.
- c. The amount of insurance should represent no less than 75 percent of the property replacement cost of the insured property.
- d. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.



- e. Coverage is to be provided on a blanket basis. **[NOTE TO PREPARER: This clause may not be appropriate for the concession operation being contracted. Refer to chapter 14 to determine whether the coverage should be provided on a blanket basis. This section should be omitted if the coverage will not be provided on a blanket basis.]**
- f. If insurance is written with an insurer other than the building(s) and contents insurer, both the property and boiler insurance policies must be endorsed with a joint loss agreement.
- g. The approved value of each structure shall be stated, and the structure shall be insured for not less than this amount: \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

### 3. Builder's Risk Coverage

**[NOTE TO PREPARER: Consider whether appropriate for concession operation, omit if not applicable.]**

- a. Insurance shall cover new buildings or structures under construction at the concession facilities and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage, and while in transit. Coverage should also apply to temporary structures such as scaffolding and construction forms.
- b. Coverage shall apply on an "all risks" or a "special coverage" basis.
- c. The policy shall provide for loss recovery on a replacement cost basis.
- d. The amount of insurance should represent no less than 90 percent of the replacement cost value of the insured property.
- e. The coinsurance provision, if any, shall be waived or suspended by an agreed amount or agreed value clause.
- f. Any occupancy restriction must be eliminated.
- g. Any collapse exclusion must be eliminated.
- h. Any exclusion for loss caused by faulty workmanship must be eliminated.
- i. Flood coverage shall be maintained with a limit of not less than \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- j. Earthquake coverage shall be maintained with a limit of not less than \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

#### 4. **Business Interruption and/or Extra Expense**

Business interruption insurance, if maintained by the concessionaire, should cover the loss of income and continuation of fixed expenses in the event of damage to or loss of concession Facilities. Extra expense insurance shall cover the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property.

#### 5. **Deductibles**

**[NOTE TO PREPARER: The preparer should consult chapter 14 to determine appropriate deductibles. The following conditions should be amended based on the needs of the concession operation being contracted.]**

Property insurance coverages described above may be subject to deductibles as follows:

- a. Direct damage deductibles shall not exceed the lesser of 10 percent of the amount of the full replacement value of all buildings or \$25,000 (except flood and earthquake coverage may be subject to deductibles not exceeding \$50,000).
- b. Extra expense deductibles (when coverage is not combined with business interruption) shall not exceed \$25,000.

#### 6. **Required Clauses**

Loss Payable Clause:

A loss payable clause similar to the following must be added to buildings and contents, boiler and machinery, and builder's risk policies:

In accordance with concession contract No. \_\_\_\_\_ **[NOTE TO PREPARER: Insert concession contract number.]**, dated **[NOTE TO PREPARER: Insert date of concession contract.]**, between the United States of America and **[NOTE TO PREPARER: Insert name of concessionaire.]**, payment of insurance proceeds resulting from damage to, or loss of, structures insured under this policy is to be disbursed directly to the concessionaire without requiring endorsement by the United States of America.

## 7. Property Replacement Cost for Insurance Purposes

**[NOTE TO PREPARER: This section should contain Reclamation-approved property values for each item that the concessionaire must insure. The following is presented as an example and should be tailored to the concession operation being contracted.]**

<u>Building(s)</u>	<u>Replacement value</u>
1. Hotel	\$5,000,000
2. Store	\$4,500,000

**This list must include every building or structure that the concessionaire will be required to insure.]**

## B. LIABILITY INSURANCE

At a minimum, the following liability coverages are to be maintained, all of which are to be written on an occurrence basis only. The concessionaire may attain the limits specified below by means of supplementing the respective coverage(s) with excess or excess “umbrella” liability.

### 1. Commercial General Liability

- a. Use declarations similar to the following bulleted examples to indicate the coverage required.

**[NOTE TO PREPARER: Include only those items necessary for the operation; see chapter 14 for details. The appropriate limits are set forth in Chapter 14, Insurance Program.]**

- Bodily injury and property damage limit \$ \_\_\_\_\_.  
**[NOTE TO PREPARER: Insert appropriate limit.]**
- Products/completed operations limit \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Personal injury and advertising injury limit \$ \_\_\_\_\_.  
**[NOTE TO PREPARER: Insert appropriate limit.]**
- General aggregate \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Protection and indemnity (watercraft) \$ \_\_\_\_\_.  
**[NOTE TO PREPARER: Insert appropriate limit.]**

- Fire damage legal liability “per fire” \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
  
- b. The liability coverages may not contain the following exclusions or limitations:
  - Athletic or sports participants.
  - Products/completed operations.
  - Personal injury or advertising injury.
  - Contractual liability.
  - Explosion, collapse, and underground property damage.
  - Total pollution.
  - Watercraft limitations affecting the use of watercraft in the course of the concessionaire’s operations (unless separate watercraft coverage is maintained).
  
- c. For all lodging facilities and other indoor facilities where there may be a large concentration of people, the pollution exclusion may be amended so that it does not apply to the smoke, fumes, vapor, or soot from equipment used to heat the building.
  
- d. If the policy insures more than one location, the general aggregate limit must be amended to apply separately to each location or, at least, separately to the appropriate Reclamation location(s).
  
- e. Required per-occurrence minimum limits for specific concession activities are set forth below: **[NOTE TO PREPARER: The preparer should indicate activities that require minimum per-occurrence liability limits and specify those required limits. The preparer should consult chapter 14 and include the required minimum for each activity that will be conducted at the concession operation. The following activities have been included as a sample. The preparer should add to this section any additional activities requiring minimum per-occurrence limits. The preparer should remove any of the following activities that do not apply to the subject concession operation.]**
  - Merchandise store. **[NOTE TO PREPARER: Insert minimum per-occurrence limit.]**
  - Food service. **[NOTE TO PREPARER: Insert minimum per-occurrence limit.]**

- Motel. **[NOTE TO PREPARER: Insert minimum per-occurrence limit.]**
- Bicycle rental. **[NOTE TO PREPARER: Insert minimum per-occurrence limit.]**

**[NOTE TO PREPARER: The following coverages, 2. through 5. (below), may not be applicable to all concession operations. Any requirements that are not applicable to the concession being contracted should be removed.]**

## **2. Automobile Liability**

**[NOTE TO PREPARER: Omit if not applicable to concession operation.]**

Coverage will be provided for bodily injury or property damage arising out of the ownership, maintenance, or use of any auto. (Where there are no owned autos, coverage applicable to hired and nonowned autos shall be maintained.) Each accident limit will be \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

## **3. Liquor Liability**

**[NOTE TO PREPARER: Omit if not applicable to concession operation.]**

Coverage will be provided for bodily injury or property damage, including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage.

- Each common cause limit \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Aggregate limit \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

## **4. Watercraft Liability (or Protection and Indemnity)**

**[NOTE TO PREPARER: Omit if not applicable to concession operation.]**

Coverage will be provided for bodily injury or property damage arising out of the use of any watercraft. Each occurrence limit will be \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

## 5. Garage Liability

**[NOTE TO PREPARER: Omit if not applicable to concession operation.]**

This coverage is not required, but may be used in place of commercial general liability and auto liability coverages for some operations. Coverage will be provided for bodily injury, property damage, personal or advertising injury liability arising out of garage operations (including products/completed operations and contractual liability), as well as bodily injury and property damage arising out of the use of automobiles.

- Each accident limits—garage operations \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Auto only \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Other than auto (e.g., watercraft) only \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Personal injury and advertising \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Injury limit \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Fire damage legal liability “per fire” \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Aggregate limit—garage operations \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Other than auto only \$\_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

The concessionaire should ensure that appropriate coverage exists for:

- Concessionaire-owned vehicles.
- Concessionaire-hired vehicles.
- Other vehicles not owned by the concessionaire.

**6. Excess Liability or Excess Umbrella Liability**

This coverage is not required, but may be used to supplement any of the above liability coverage policies to arrive at the required minimum limit of liability. If maintained, coverage will be provided for bodily injury, property damage, and personal or advertising injury liability in excess of scheduled underlying insurance. In addition, coverage shall be at least as broad as that provided by underlying insurance policies, and the limits of underlying insurance shall be sufficient to prevent any gap between such minimum limits and the attachment point of the coverage afforded under the excess liability or excess “umbrella” liability policy.

**7. Care, Custody, and Control – Legal Liability**

Coverage will be provided for damage to property in the care, custody, or control of the concessionaire. Coverage for any one loss will be \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

**8. Environmental Impairment Liability**

Coverage will be provided for bodily injury, personal injury, or property damage arising out of pollutants or contaminants (on site or off site).

- Each occurrence or each claim limit \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**
- Aggregate limit \$ \_\_\_\_\_. **[NOTE TO PREPARER: Insert appropriate limit.]**

**9. Special Provisions for Use of Aggregate Policies**

At such time as the aggregate limit of any required policy is (or if it appears that it will be) reduced or exhausted, the concessionaire is required to reinstate such limit or purchase additional coverage limits.

**10. Self-Insured Exceptions**

Self-insured exceptions on any of the above described liability insurance policies (other than excess “umbrella” liability, if maintained) may not exceed \$5,000. **[NOTE TO PREPARER: This condition should be amended or omitted as necessary for the concession operation being contracted.]**

## **11. Workers Compensation and Employers' Liability**

Coverage will comply with the statutory requirements of the State(s) in which the concessionaire operates.

### **C. CONSTRUCTION PROJECT INSURANCE**

Concessionaires entering into contracts with outside contractors for various construction projects, including major renovation projects, capital improvement projects, and additions or new buildings or facilities will be responsible to ensure that all contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors shall comply with the insurance requirements stated herein (for commercial general liability, automobile liability, workers' compensation, and, if professional services are involved, professional liability). Where appropriate, the interests of the concessionaire and the United States shall be covered in the same fashion as required in the commercial operator insurance requirements. The amounts or limits of the required coverages shall be determined in consultation with the Secretary of the Interior, taking into consideration the scope and size of the project.

### **D. INSURANCE COMPANY MINIMUM STANDARDS**

All insurance companies providing the above described insurance coverages must meet the minimum standards set forth below:

1. All insurers for all coverages must be rated no lower than A- by the most recent edition of A.M. Best's Key Rating Guide (Best's) Property-Casualty.
2. All insurers for all coverages must have a Best's financial size category of at least VIII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition).
3. All insurers must be admitted (licensed) in the State in which the concessionaire is domiciled.

### **E. CERTIFICATES OF INSURANCE**

All certificates of insurance required by this concession contract shall be completed in sufficient detail to allow easy identification of the coverages, limits, and coverage amendments that are described above. In addition, the insurance companies must be accurately listed along with their Best identification number. The name, address, and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance.



Because of the space limitations of most standard certificates of insurance, it is expected that an addendum will be attached to the appropriate certificate(s) to provide the space needed to show the required information.

In addition to providing certificates of insurance, the concessionaire, upon written request of the Secretary, shall provide the Secretary with a complete copy of any of the insurance policies (or endorsements thereto) required herein to be maintained by the concessionaire.

**F. ADDITIONAL NAMED INSURED**

All insurance policies carried by the concessionaire will identify Reclamation as an “Additional Named Insured.” The insurance company will be directed to notify Reclamation when changes to the policy occur, including cancellations.

**G. STATUTORY LIMITS**

In the event that a statutorily required limit exceeds a limit required herein, the higher statutorily required limit shall be considered the minimum to be maintained.

**Exhibit I Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

## **SUBCHAPTER 2-11 – EXHIBIT J: ANNUAL FINANCIAL REPORT FORMS**

### **CONCESSIONAIRE ANNUAL FINANCIAL REPORT – GENERAL INSTRUCTIONS**

The Annual Financial Report (AFR) instruction booklet was prepared by Reclamation to help the preparers of the AFR complete the enclosed schedules. For each schedule, a corresponding page is attached that explains (by line item) the information that needs to be provided in the schedule.

#### **A. WHO MUST FILE**

All concessionaires must file a Concessionaire Annual Financial Report corresponding to each year of operation. Concessionaires operating in more than one area under the same contract shall prepare a separate report for each area in which the operations are located.

#### **B. WHEN AND WHERE TO FILE**

Concessionaires must file an AFR within the time period specified in the authorizing document (contract or permit). Concessionaires shall submit one signed original and one copy to the area manager administering the area.

#### **C. WHERE TO GET FORMS**

Concessionaires may obtain the Concessionaire Annual Financial Report forms from the area manager.

#### **D. ROUNDING**

All entries should be rounded to the nearest dollar. Round \$0.50 to the next highest dollar.

#### **E. REQUIREMENT FOR AUDIT AND REVIEW**

If a concession's annual gross receipts equal or exceed \$250,000, the Primary Schedules (Schedules A through F, I, and P of the Concessionaire Annual Financial Report, below) must be reviewed by an independent CPA in accordance with the Statements on Auditing Standards as issued by the Auditing Standards Board, which is governed by the American Institute of

Certified Public Accountants. If annual gross receipts are above \$1 million, the Primary Schedules must be audited by an independent CPA in accordance with the same statements and standards mentioned above.

In both circumstances mentioned above, all supplemental schedules must also be fully completed. If the concessionaire's gross receipts are below \$250,000, the concessionaire is required to complete only Schedules A, B, C, F, G, H, I, J, K, N, O, and P.

If you have any questions, you may call the area manager or a designated individual at \_\_\_\_\_ **[NOTE: Add phone number.]**



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Bureau of Reclamation  
Use Only  
Date Received:  
\_\_\_\_\_

## CONCESSIONAIRE ANNUAL FINANCIAL REPORT

Concessionaire: \_\_\_\_\_

Area: \_\_\_\_\_

(Contract or Permit No.)

(Effective Date)

(Expiration Date)

Corporation

Limited Liability Corporation

Partnership

Sole Proprietorship

### Primary and Supplemental Schedules

- Schedule A – Statement of Income
- Schedule B – Balance Sheet
- Schedule C – Depreciable Fixed Assets
- Schedule D – Statement of Cash Flows
- Schedule E – Notes to the Financial Statements
- Schedule F – Details of Gross Receipts
- Schedule G – Departmental Income and Expenses
- Schedule G1 – Departmental Income and Expenses (Continuation Sheet)
- Schedule H – Indirect Operating Expenses
- Schedule I – Computation of Government Fees
- Schedule J – Information on Corporate Owners, Officers, and Partners
- Schedule K – Supporting Schedule
- Schedule L – Additions to and Disposals of Fixed Assets
- Schedule M – Capital Investment Recovery Assets
- Schedule N – Reserve Account Annual Reconciliation
- Schedule O – Reserve Account Expenditures
- Schedule P – Operational and Miscellaneous Financial Statistics
- Schedule P1 – Operational and Miscellaneous Financial Statistics (continuation sheet)



### CONCESSIONAIRE'S CERTIFICATION

I certify that this report (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

\_\_\_\_\_  
(Concessionaire's Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Telephone number)

\_\_\_\_\_  
(E-Mail Address)

\_\_\_\_\_  
(FAX number)

## SCHEDULE A – STATEMENT OF INCOME

- Line 1. Enter the amount shown on Schedule G, Column A, Line 2.  
Line 2. Enter the amount shown on Schedule G, Column A, Line 3.  
Line 3. Subtract Line 2 from Line 1 and enter the amount.  
Line 4. Enter the amount shown on Schedule G, Column A, Line 8.  
Line 5. Subtract Line 4 from Line 3 and enter the amount.  
Line 6. Enter the amount shown on Schedule G, Column A, Line 27.  
Line 7. Subtract Line 6 from Line 5 and enter the amount.  
Line 8. Enter the amount shown on Schedule H, Line 10.  
Line 9. Enter the amount shown on Schedule H, Line 32.  
Line 10. Enter the amount shown on Schedule I, Line 31.  
Line 11. Add Lines 8 through 10.  
Line 12. Subtract Line 11 from Line 7 and enter the amount.  
Line 13. Enter the amount paid or accrued for the rental of facilities. This category will include mostly rental of facilities outside the area boundary. It will exclude the cost to rent equipment, which should be included in the amount entered on Line 6.  
Line 14. Self-Explanatory.  
Line 15. Self-Explanatory.  
Line 16. Self-Explanatory.  
Line 17. Enter the amount shown on Schedule C, Column G, Line 6.  
Line 18. Enter the total year's amortization charge for all classes of intangible assets.  
Line 19. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.  
Line 20. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.  
Line 21. Add Lines 13 through 20 and enter the amount.  
Line 22. Subtract Line 21 from Line 12 and enter the amount.  
Line 23. Enter the total amount of all interest and dividend revenue accrued and earned during the year.  
Line 24. Enter the total amount of all gains and losses resulting from the sale of assets.  
Line 25. Enter the total amount of all compensation received from subconcessionaires.  
Line 26. Enter the description and income from sources not shown elsewhere.  
Line 27. Add Lines 23 through 26 and enter the amount.  
Line 28. Subtract Line 27 from Line 22 and enter the amount.  
Line 29. Self-Explanatory.  
Line 30. Self-Explanatory.  
Line 31. Add Lines 29 and 30 and enter the amount.  
Line 32. Subtract Line 31 from Line 28 and enter the amount.

Concessionaire

Year Ending:

Statement of Income

	This Year	Last Year
<b>Departmental Income</b>		
1. Gross Receipts (Schedule G, Column A, Line 2) .....		
2. Returns and Allowances (Schedule G, Column A, Line 3) .....		
3. Net Sales (Schedule G, Column A, Line 4) .....		
4. Cost of Sales (Schedule G, Column A, Line 8).....		
5. Gross Profit (Schedule G, Column A, Line 9) .....		
6. Total Direct Expenses (Schedule G, Column A, Line 27) .....		
7. Departmental Income (Loss) (Schedule G, Column A, Line 28).....		
<b>Indirect Operating Expenses</b>		
8. Undistributed Departmental Expenses (Schedule H, Line 10).....		
9. General and Administrative Expenses (Schedule H, Line 32)		
10. Franchise Fees (Schedule I, Line 31).....		
11. Total Indirect Operating Expenses .....		
12. Total Income (Loss) from Operations Before Fixed Expenses .....		
<b>Fixed Expenses</b>		
13. Rent.....		
14. Property Taxes .....		
15. Business/Liability/Property Insurance.....		
16. Interest Expense .....		
17. Depreciation (Schedule C, Column G, Line 6).....		
18. Amortization .....		
19. Other (Identify)* _____ .....		
20. Other (Identify)* _____ .....		
21. TOTAL FIXED EXPENSES .....		
22. INCOME (LOSS) BEFORE INCOME TAXES AND OTHER INCOME OR EXPENSES.....		
<b>Other Income (Expenses)</b>		
23. Interest and Dividend Income.....		
24. Gain (Loss) on Sale of Property .....		
25. Commissions/Fees/Compensation from Subconcessionaires (Schedule I, Line 24) .....		
26. Other (Identify)* _____ .....		
27. TOTAL OTHER INCOME (EXPENSES) .....		
28. INCOME (LOSS) BEFORE INCOME TAXES .....		
<b>Income Taxes</b>		
29. Federal .....		
30. State and Local .....		
31. TOTAL INCOME TAXES.....		
32. NET INCOME (LOSS).....		

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE B – BALANCE SHEET

- Line 1. Self-Explanatory.  
Line 2. Self-Explanatory.  
Line 3. Self-Explanatory.  
Line 4. Self-Explanatory.  
Line 5. Enter the amounts receivable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.  
Line 6. Self-Explanatory.  
Line 7. Self-Explanatory.  
Line 8. Enter the description and total amount of other current assets not shown elsewhere.  
Line 9. Add Lines 1 through 8 and enter the amount.  
Line 10. Enter the amount shown on Schedule C, Column G, Line 4.  
Line 11. Enter the amount shown on Schedule C, Column G, Line 8.  
Line 12. Subtract Line 11 from Line 10 and enter the amount.  
Line 13. Self-Explanatory.  
Line 14. Self-Explanatory.  
Line 15. Add Lines 12 through 14 and enter the amount.  
Line 16. Self-Explanatory. Should equal Schedule N, Line 13.  
Line 17. Enter the description and amount of other assets not shown elsewhere.  
Line 18. Add Lines 16 and 17 and enter the amount.  
Line 19. Add Lines 9, 15, and 18 and enter the amount.  
Line 20. Enter the amounts payable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.  
Lines 21-25 Self-Explanatory.  
Line 26. Enter amounts such as advance deposits for services not yet rendered (e.g., river trips and lodging).  
Line 27. Enter the description and amounts for other current liabilities not shown elsewhere.  
Line 28. Add Lines 20 through 27 and enter the amount.  
Line 29. Self-Explanatory.  
Line 30. Enter the description and amounts for all other long-term liabilities not shown elsewhere.  
Line 31. Add Lines 29 and 30 and enter the amount.  
Line 32. Add Lines 28 and 31 and enter the amount.  
Line 33. To be filled out by Sole Proprietorships or Partnerships but **NOT** Corporations.  
Lines 34-37 To be filled out by Corporations but **NOT** Sole Proprietorships or Partnerships.  
Line 38. Sole Proprietorships and Partnerships enter the amount from Line 33. Corporations enter the total of Lines 34, 36, and 37 less Line 35.  
Line 39. Add Lines 32 and 38 and enter amount.

**NOTE:** LINE 19 MUST EQUAL LINE 39. IF THE ASSETS REPORTED BY THE CONCESSIONAIRE ARE USED FOR BOTH IN-AREA AND OUT-OF-AREA REVENUE, THE ASSETS REPORTED ON THE BALANCE SHEET SHOULD BE PROPORTIONAL TO THE AMOUNT OF SALES GENERATED IN THE AREA. THE BASIS FOR THIS ALLOCATION SHOULD BE EXPLAINED IN SCHEDULE E, “NOTES TO THE FINANCIAL STATEMENTS.”

Concessionaire

Year Ending:

Balance Sheet

		This Year	Last Year
<b>ASSETS</b>			
<b>Current Assets</b>			
1.	Cash .....		
2.	Marketable Securities .....		
3.	Inventories – Merchandise .....		
4.	Accounts Receivable .....		
5.	Notes Receivable – Related Party .....		
6.	Notes Receivable – Other .....		
7.	Prepaid Expenses .....		
8.	Other (Identify) _____ .....		
9.	TOTAL CURRENT ASSETS .....		
<b>Fixed Assets</b>			
10.	Depreciable Fixed Assets (Schedule C, Column G, Line 4) .....		
11.	Less: Accumulated Depreciation (Schedule C, Column G, Line 8) .....		
12.	Net Depreciable Fixed Assets (Schedule C, Column G, Line 9) .....		
13.	Construction in Progress .....		
14.	Land .....		
15.	TOTAL FIXED ASSETS .....		
<b>Other Assets (Identify)</b>			
16.	Reserve Account (Schedule N, Line 13) .....		
17.	Other (Identify) _____ .....		
18.	TOTAL OTHER ASSETS .....		
19.	TOTAL ASSETS .....		
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
20.	Notes Payable – Related Party .....		
21.	Notes Payable – Other .....		
22.	Accounts Payable .....		
23.	Current Maturities on Long-Term Debt .....		
24.	Government Franchise Fee Payable .....		
25.	Accrued Liabilities .....		
26.	Advance Deposits .....		
27.	Other (Identify) _____ .....		
28.	TOTAL CURRENT LIABILITIES .....		
<b>Long-Term Liabilities</b>			
29.	Long-Term Debt, Less Current Maturities .....		
30.	Other (Identify) _____ .....		
31.	TOTAL LONG-TERM LIABILITES .....		
32.	TOTAL LIABILITIES .....		
<b>EQUITY</b>			
33.	Partner's or Proprietor's Capital .....		
34.	Common and Preferred Stock .....		
35.	Less: Treasury Stock .....		
36.	Additional Paid – In Capital .....		
37.	Retained Earnings .....		
38.	TOTAL EQUITY .....		
39.	TOTAL LIABILITIES AND EQUITY .....		



## SCHEDULE C – DEPRECIABLE FIXED ASSETS

### GENERAL

Columns A and B are to be used only for fixed assets in which Reclamation grants the concessionaire the right to obtain a CIR interest and, therefore, can claim a CIR interest pursuant to the concession contract.

The costs of concessionaire fixed assets in which the concessionaire holds CIR interests are to be entered in Column A. Such assets may include buildings, structures, fixtures, equipment, and other improvements funded by the concessionaire that are affixed to or resting upon the lands assigned to the concessionaire in such manner as to be part of the realty. Concessionaires showing amounts in Columns A or B must complete Schedule M, “Capital Investment Recovery Assets.”

In Column B, enter the concessionaire’s cost of all alterations, additions, and improvements to Government improvements assigned to the concessionaire in which Reclamation grants the concessionaire the right to obtain and, therefore, claim a CIR interest, pursuant to the concession contract.

If the concessionaire has waived a CIR interest in either concession fixed assets or Government improvements, the concessionaire’s cost of those alterations, additions, etc., should be entered in Column C.

Columns D, E, and F relate to personal property assets such as transportation, furniture, fixtures, equipment, and other personal property in which the concessionaire may not be granted and can not claim a CIR interest.

Concessionaires showing amounts on lines 2, 3, and 7 must complete Schedule L, “Additions to and Disposals of Fixed Assets,” giving details of assets acquired or disposed of, including assets in which the concessionaire can claim a CIR.

- Line 1. Enter in the appropriate columns the fixed asset balances at the beginning of the year. The amounts entered must agree with the amounts on Line 4, ending balance on the previous year’s report. If the amounts do not agree, attach an explanation.
- Line 2. Enter in the appropriate columns additions to fixed assets during the current year.
- Line 3. Enter in the appropriate columns disposals of fixed assets during the current year.
- Line 4. Subtract Line 3 from the sum of Lines 1 and 2 and enter the amount.
- Line 5. Enter in the appropriate columns the accumulated depreciation balances at the beginning of the year. The amounts entered must agree with the amounts on Line 8, ending balance on the previous year’s report. If the amounts do not agree, attach an explanation.
- Line 6. Enter in the appropriate columns the depreciation of fixed assets during the current year.
- Line 7. Enter in the appropriate columns the accumulated depreciation of fixed assets disposed of during the current year.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount.
- Line 9. Subtract Line 8 from Line 4 and enter the amount.

Concessionaire

Year Ending:

Depreciable Fixed Assets



	Assets in which Fixed Interest is Claimed		Other Assets				
	Concessionaire Improvements	Government Improvements	Other Improvements	Transportation Equipment	Furniture, Fixtures, & Equipment	Other	Total
	A	B	C	D	E	F	G
<b>Cost</b>							
1. Prior Year Balance							
*2. Additions this Year							
*3. Disposals this Year							
4. Ending Balance (Carry Column G to Schedule B, Line 10)							
<b>Accumulated Depreciation</b>							
5. Prior Year Balance							
6. Depreciation this Year							
*7. Accumulated Depreciation on Assets Disposed this Year							
8. Ending Balance (Carry Column G to Schedule B, Line 11)							
9. Net Depreciable Fixed Assets, End of Year (Carry Column G to Schedule B, Line 12)							

\* If any entries are made on Lines 2, 3, or 7, complete Schedule L

## SCHEDULE D – STATEMENT OF CASH FLOWS

- Line 1. Enter the amount of cash received from customers.
- Line 2. Enter the amount of cash paid for merchandise.
- Line 3. Enter the amount of cash paid for wages and other operating expenses.
- Line 4. Enter the amount of cash paid for interest.
- Line 5. Enter the amount of cash paid for taxes.
- Line 6. Enter the amount of cash paid to the Bureau of Reclamation.
- Line 7. Add Lines 1 through 6.
- Line 8. Enter the amount paid to acquire fixed assets.
- Line 9. Enter the amount of money received from the sale of assets.
- Line 10. Enter the amount of money received from the sale of land.
- Line 11. Enter the description and amounts for other investing activities not shown elsewhere.
- Line 12. Add Lines 8 through 11.
- Line 13. Enter the amount of the increase or decrease in intercompany receivables.
- Line 14. Enter the amount of cash received from the issuance of stock.
- Line 15. Enter the amount of cash paid to retire outstanding bonds.
- Line 16. Enter the amount of the dividends paid to the shareholders.
- Line 17. Enter the description and amounts for other financing activities not shown elsewhere.
- Line 18. Add Lines 13 through 17.
- Line 19. Add Lines 7, 12, and 18.
- Line 20. Enter the amount shown on Schedule B, 2nd Column, Line 1
- Line 21. Add Lines 19 and 20. The sum should equal the amount shown on Schedule B, 1st Column, Line 1
- Line 22. Enter the amount shown on Schedule A, Line 32.
- Line 23. Enter the amount shown on Schedule C, Column G, Line 6.
- Line 24. Enter the amount shown on Schedule A, Line 18.
- Line 25. Enter the amount of provision for losses on accounts receivable.
- Line 26. Enter the amount shown on Schedule A, Line 24.
- Line 27. Enter the amount of the increase or decrease in the inventory.
- Line 28. Enter the amount of the increase or decrease in the accounts receivable.
- Line 29. Enter the amount of the increase or decrease in the other assets.
- Line 30. Enter the amount of the increase or decrease in the prepaid expenses.
- Line 31. Enter the amount of the increase or decrease in the accounts payable.
- Line 32. Enter the amount of the increase or decrease in the franchise fee payable.
- Line 33. Enter the amount of the increase or decrease in the accrued liabilities.
- Line 34. Enter the amount of the increase or decrease in the advance deposits.
- Line 35. Enter the amount of the increase or decrease in the other liabilities.
- Line 36. Enter the amount of the increase or decrease in the division equity.
- Line 37. Sum lines 23 through 36 and add or subtract the difference from Line 22.

Concessionaire

Year Ending:

Statement of Cash Flows – Direct Method

Cash Flows From Operating Activities

- 1. Cash received from customers.....
- 2. Cash paid for merchandise.....
- 3. Cash paid for wages and other operating expenses.....
- 4. Cash paid for interest .....
- 5. Cash paid for taxes.....
- 6. Cash paid to Bureau of Reclamation.....
- 7. Net Cash Flows Provided (Used) by Operating Activities.....

Cash Flow From Investing Activities

- 8. Purchase of fixed assets .....
- 9. Purchase from sale of equipment.....
- 10. Purchase from sale of land.....
- 11. Other .....
- 12. Net Cash Flow Provided (Used) by Investing Activities.....

Cash Flow From Financing Activities

- 13. Net increase or decrease in intercompany receivable account .....
- 14. Cash received from issuing stock.....
- 15. Cash paid to retire bonds .....
- 16. Cash paid for dividends .....
- 17. Other .....
- 18. Net Cash Flows Provided (Used) by Financing Activities.....
- 19. **NET INCREASE (DECREASE) IN CASH**.....
- 20. CASH AT THE BEGINNING OF YEAR (Schedule B, 2nd. Column, Line 1) .....
- 21. CASH AT END OF YEAR (Schedule B, 1st Column, Line 1) .....

Reconciliation of Net Income to Net Cash Provided by Operations

- 22. Net Income (Schedule A, Line 32) .....
- Adjustments to reconcile net income to net cash provided by operating activities
- 23. Depreciation expense (Schedule C, Column G, Line 6) .....
- 24. Amortization expense (Schedule A, Line 18) .....
- 25. Provision for losses on accounts receivable.....
- 26. Gain or loss on sale of fixed assets (Schedule A, Line 24).....
- 27. (Increase) Decrease in inventories .....
- 28. (Increase) Decrease in accounts receivable.....
- 29. (Increase) Decrease in other assets.....
- 30. (Increase) Decrease in prepaid expenses .....
- 31. (Increase) Decrease in accounts payable .....
- 32. (Increase) Decrease in franchise fee payable .....
- 33. (Increase) Decrease in accrued liabilities .....
- 34. (Increase) Decrease in advance deposits .....
- 35. (Increase) Decrease in other liabilities.....
- 36. (Increase) Decrease in division equity.....
- 37. Net Cash Provided by Operating Activities.....

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## **SCHEDULE E – NOTES TO THE FINANCIAL STATEMENTS**

There should be included in the notes a description of all significant accounting policies followed by the reporting entity. Commonly required disclosures include, but are not limited to, policies relating to:

- A. Accounting Method
- B. Depreciation Method
- C. Amortization of Intangibles
- D. Inventory Pricing
- E. Pension, Profit Sharing, and Stock Option Plans
- F. Computation of Net Income per Share
- G. Amortization of the Cost in Excess of Net Assets of Business Acquired
- H. Accounting for Income Taxes

The following are typical items and those items specific to concessions operating on the Federal estate with respect to which all significant facts should be disclosed and characterized through such notes:

- A. Long-Term Debt Agreements (including interest rate and payment term)
- B. Leases
- C. Contingent Liabilities
- D. Pending Lawsuits
- E. Pension and Profit Sharing Plans
- F. Income Taxes
- G. Changes in Accounting Methods
- H. Long-Term Contracts
- I. Extraordinary Items of Income or Expenses
- J. Related Party Transactions, including loan agreements and inter-company charges (such as management fees and corporate overhead expenses)
- K. Consulting agreements and contract services
- L. Concessionaire assets used to provide the services authorized in the concession contract that are also used by the concessionaire for activities not related to the concession
- M. Allocation to the concession of receipts, expenses, and net income generated by the assets identified under the previous item (item L.)

**Concessionaire**

**Year Ending:**

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**Notes to the Financial Statements**

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## **SCHEDULE F – DETAILS OF GROSS RECEIPTS**

Enter on the appropriate lines the gross receipts from each of the services listed. Enter subtotal by department, as indicated. Amounts entered in the “This Year Departmental Total” column must be forwarded to Schedule G. Total gross receipt amounts reported on Schedules A, F, and G must be the same.

Concessionaire

Year Ending:

Details of Gross Receipts

	Amount	This Year Departmental Total 20__	Last Year Departmental Total 20__	Reference to Column on Schedule G
<b>LODGING</b>				
1. Hotel and Motel .....	_____			
2. Cabins and Cottages .....	_____			
3. Tent Cabins .....	_____			
4. Backcountry .....	_____			
<b>EMPLOYEE MEALS and LODGING</b>				
5. Employee Lodging .....	_____			
6. Employee Food .....	_____			
<b>FOOD</b>				
7. Restaurant (Full Service) .....	_____			
8. Cafeteria .....	_____			
9. Snack Bar and Fast Food .....	_____			
10. Alcoholic Beverage Bar .....	_____			
<b>SOUVENIRS</b>				
11. Gifts, Curios .....	_____			
12. Genuine Authorized Native Handcraft .....	_____			
<b>GENERAL MERCHANDISE</b>				
13. Grocery .....	_____			
14. Package Liquor .....	_____			
15. Photographic .....	_____			
16. Other (Identity)* .....	_____			
<b>CAMPGROUNDS</b>				
17. Tents .....	_____			
18. RV Camping (without hook-ups) .....	_____			
19. RV Camping (with hook-ups) .....	_____			
20. RV Park (All other RV revenues excluding camping) .....	_____			
<b>AUTO SERVICE</b>				
21. Fuel and Oil .....	_____			
22. Parts, Service and Other .....	_____			
<b>MARINA</b>				
23. Slips and Mooring .....	_____			
24. Houseboat Rental .....	_____			
25. Boat and Motor Rental .....	_____			
26. Fuel and Oil .....	_____			
27. Boat and Motor Sales .....	_____			
28. Boat Repair .....	_____			
29. Dry Storage .....	_____			
30. Other (Identity)* .....	_____			
<b>TRANSPORTATION</b>				
31. Boat .....	_____			
32. Cruise Ship .....	_____			
33. Vehicle .....	_____			
34. Other (Identity)* .....	_____			
35. Saddle Horse and Livery .....	_____			
36. Float Trip and River runners .....	_____			
<b>ADDITIONAL REVENUE SOURCES</b>				
37. Skiing Fees (Cross Country Fees and Lift Tickets) .....	_____			
38. Vending Machine .....	_____			
39. Bathhouse .....	_____			
40. Canoe and Tube Rental .....	_____			
41. Rentals (Auto, Equipment, Other) .....	_____			
42. Hunting Guides .....	_____			
43. Guide and Instructional Service .....	_____			
44. Health Service .....	_____			
45. Golf Sales .....	_____			
46. Catalog Sales .....	_____			
47. Other (Identity)* .....	_____			
48. Other (Identity)* .....	_____			
49. Other (Identity)* .....	_____			
50. <b>TOTAL GROSS RECEIPTS (Schedule G, Column A, Line 2)</b> .....	_____	_____	_____	_____

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).



# SCHEDULE G – DEPARTMENTAL INCOME AND EXPENSES

## GENERAL

The schedule of departmental income provides for the identification and presentation of financial data in a form that isolates and defines the operations of each revenue and cost center and provides a basis for internal and external comparisons.

Concessionaires providing services at several locations within an area may consolidate the results of the operations by department.

This schedule provides columns for a breakdown of departmental income. The departmental breakdown required is identified on Schedule F.

If additional columns are needed, use Schedule G-1 (continuation sheet). Please number the continuation sheets and continue to identify departmental columns in alphabetical order (e.g., E, F, and G).

Column A must reflect the total of all entries on all other columns, including those on the continuation sheets.

- Line 1. Enter the name of the department as identified on Schedule F.
- Line 2. Enter, by department, the total gross receipts or revenue accruing to the concession from all sales. The amount entered should be exclusive of sales, excise, or other taxes collected for any taxing authority. If any taxes are included, please indicate.
- Line 3. Self-Explanatory.
- Line 4. Subtract Line 3 from 2 and enter the amount, by department.
- Line 5. Enter, by department, the beginning inventory. The amount entered must agree with amounts on Line 7, ending inventory of the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter, by department, the cost of all purchases at gross invoice price less discounts plus transportation, storage, and delivery charges.
- Line 7. Enter, by department, the amount of the ending inventory.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount, by department.
- Line 9. Subtract Line 8 from Line 4 and enter the difference, by department.
- Line 10. Enter, by department, the amount of direct salary and wage expense applicable to each category.
- Line 11. Enter, by department, the allocated portion of payroll taxes, health and life insurance, pension expenses, and other related expenses.
- Line 12. Enter, by department, the sum of Lines 10 and 11.
- Line 13. Enter, by department, the remuneration paid to authorized agents for business secured, including travel agents' commissions.
- Line 14. Enter, by department, the cost of direct operating supplies.
- Line 15. Enter, by department, the cost of all Federal, State, and local licenses, permits, and fees.
- Line 16. Enter, by department, the cost of reservation and booking activities.
- Line 17. Enter, by department, the cost of laundry and uniforms.
- Line 18. Enter, by department, the cost of china, silver, and glass.
- Line 19. Enter, by department, the cost of equipment rental.
- Line 20. Enter, by department, the cost of contract services.
- Line 21. Enter, by department, the cost of transportation expense (including fuel and oil which includes both vehicles and boats).
- Line 22. Enter, by department, the cost of spoilage.
- Line 23. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 24. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 25. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 26. Add Lines 13 through 25 and enter the amount, by department.
- Line 27. Add Lines 12 and 26 and enter the amount, by department.
- Line 28. Subtract Line 27 from Line 9 enter the amount, by department.

Concessionaire

Year Ending: ██████████

**Departmental Income and Expenses**

	A	B	C	D	E
1. Department.....	Total All Columns				
2. GROSS RECEIPTS (Schedule A, Line 1) .....					
3. RETURNS AND ALLOWANCE (Schedule A, Line 2) .....					
4. NET SALES (Schedule A, Line 3) .....					
<b>Cost of Sales</b>					
5. Inventory, Beginning.....					
6. Plus Purchases .....					
7. Less Ending Inventory .....					
8. TOTAL COST OF SALES (Schedule A, Line 4) .....					
9. GROSS PROFIT (Schedule A, Line 5) .....					
<b>Direct Expenses</b>					
<b>Direct Labor</b>					
10. Salaries and Wages .....					
11. Payroll Taxes and Benefits.....					
12. TOTAL DIRECT LABOR .....					
<b>Other Direct</b>					
13. Commissions.....					
14. Operating Supplies.....					
15. Licenses and Fees .....					
16. Reservation Expense .....					
17. Laundry and Uniforms .....					
18. China, Silver, and Glass.....					
19. Equipment Rental.....					
20. Contract Services .....					
21. Transportation Expense .....					
22. Spoilage .....					
23. Other (Identify)* _____ .....					
24. Other (Identify)* _____ .....					
25. Other (Identify)* _____ .....					
26. TOTAL OTHER DIRECT .....					
27. TOTAL DIRECT (Schedule A, Line 6) .....					
28. Department Income (Loss) (Schedule A, Line 7) .....					

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## **SCHEDULE G1 – DEPARTMENTAL INCOME AND EXPENSES (CONTINUATION SHEET)**

- Line 1. Enter the name of the department as identified on Schedule F.
- Line 2. Enter, by department, the total gross receipts accruing to the concession from all sales. The amount entered should be exclusive of sales, excise, or other taxes collected for any taxing authority. If any taxes are included, please indicate.
- Line 3. Self-Explanatory.
- Line 4. Subtract Line 3 from 2 and enter the amount by department.
- Line 5. Enter, by department, the beginning inventory. The amount entered must agree with amounts on Line 7, ending inventory of the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter, by department, the cost of all purchases at gross invoice price less discounts plus transportation, storage, and delivery charges.
- Line 7. Enter, by department, the amount of the ending inventory.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount by department.
- Line 9. Subtract Line 8 from Line 4 and enter the difference by department.
- Line 10. Enter, by department, the amount of direct salary and wage expense applicable to each category.
- Line 11. Enter, by department, the allocated portion of payroll taxes, health and life insurance, pension expenses, and other related expenses.
- Line 12. Enter, by department, the sum of Lines 10 and 11.
- Line 13. Enter, by department, the remuneration paid to authorized agents for business secured, including travel agents' commissions.
- Line 14. Enter, by department, the cost of direct operating supplies.
- Line 15. Enter, by department, the cost of all Federal, State, and local licenses, permits, and fees.
- Line 16. Enter, by department, the cost of reservation/booking activities.
- Line 17. Enter, by department, the cost of laundry and uniforms.
- Line 18. Enter, by department, the cost of china, silver and glass.
- Line 19. Enter, by department, the cost of equipment rental.
- Line 20. Enter, by department, the cost of contract services.
- Line 21. Enter, by department, the cost of transportation expense (including fuel and oil which includes both vehicles and boats).
- Line 22. Enter, by department, the cost of spoilage.
- Line 23. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 24. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 25. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 26. Add Lines 13 through 25 and enter the amount, by department.
- Line 27. Add Lines 12 and 26 and enter the amount, by department.
- Line 28. Subtract Line 27 from Line 9 enter the amount, by department.

Concessionaire

Year Ending:

Departmental Income and Expenses (continuation sheet)

	F	G	H	I	J
1. Department.....					
2. GROSS RECEIPTS (Schedule A, Line 1) .....					
3. RETURNS AND ALLOWANCE (Schedule A, Line 2) .....					
4. NET SALES (Schedule A, Line 3) .....					
<b>Cost of Sales</b>					
5. Inventory, Beginning.....					
6. Plus Purchases .....					
7. Less Ending Inventory .....					
8. TOTAL COST OF SALES (Schedule A, Line 4) .....					
9. GROSS PROFIT (Schedule A, Line 5) .....					
<b>Direct Expenses</b>					
<b>Direct Labor</b>					
10. Salaries and Wages .....					
11. Payroll Taxes and Benefits.....					
12. TOTAL DIRECT LABOR .....					
<b>Other Direct</b>					
13. Commissions.....					
14. Operating Supplies.....					
15. Licenses and Fees .....					
16. Reservation Expense .....					
17. Laundry and Uniforms .....					
18. China, Silver, and Glass.....					
19. Equipment Rental.....					
20. Contract Services .....					
21. Transportation Expense .....					
22. Spoilage .....					
23. Other (Identify)* _____ .....					
24. Other (Identify)* _____ .....					
25. Other (Identify)* _____ .....					
26. TOTAL OTHER DIRECT .....					
27. TOTAL DIRECT (Schedule A, Line 6) .....					
28. Department Income (Loss) (Schedule A, Line 7) .....					

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE H – INDIRECT OPERATING EXPENSES

### UNDISTRIBUTED DEPARTMENTAL EXPENSES

- Line 1. Enter wages and benefits paid to employees conducting repair and maintenance for the concession. These salary and benefit expenses should not include amounts shown in Schedule G, Lines 10 and 11.
- Line 2. Enter total expenditures of material purchases for concession-related repair and maintenance activities.
- Line 3. Enter total expenditures for third-party contract services for concession-related repair and maintenance activities (e.g., window repair, plumbing, electrical).
- Line 4. Enter total expenditures for third-party contract services for non-repair and maintenance related activities (e.g., garbage removal, window washing, security services).
- Line 5. Enter the cost of utilities, such as coal, oil, gas, and other fuels; electricity; water; and sewage.
- Line 6. Enter the cost of security expenses not acquired through a third-party contract service.
- Line 7. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 8. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 9. Enter the sum of all other undistributed departmental expenses that are less than \$10,000.
- Line 10. Add lines 1 through 9 and enter the amount.

### GENERAL AND ADMINISTRATIVE EXPENSES

- Line 11. Enter the amount from Schedule J, Line 21, plus the related payroll taxes.
- Line 12. Enter the amount incurred for administrative and general salaries, other than officers' salaries, and amounts shown on Schedule G, Departmental Income and Expenses, and include related payroll taxes.
- Line 13. Enter the cost of all phases of employee administration, including drug testing.
- Line 14. Enter the cost of all credit card charge and bank charge expense.
- Line 15. Enter the cost of telephones and other communications-related expenditures.
- Line 16. Self-Explanatory.
- Line 17. Self-Explanatory.
- Line 18. Self-Explanatory.
- Line 19. Enter the fees charged by a management organization for management services.
- Line 20. Enter the amount charged to the concessionaire by a parent company for services rendered.
- Line 21. Self-Explanatory.
- Line 22. Self-Explanatory.
- Line 23. Self-Explanatory – specific consulting relationships should be described in Schedule E.
- Line 24. Self-Explanatory.
- Line 25. Self-Explanatory.
- Line 26. Self-Explanatory.
- Line 27. Self-Explanatory.
- Line 28. Self-Explanatory.
- Line 29. Enter description and amount for the cost incurred for general and administrative costs not shown elsewhere.
- Line 30. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 31. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 32. Add Lines 11 through 31 and enter the amount.

Concessionaire

Year Ending:

Indirect Operating Expenses



Undistributed Departmental Expenses

- 1. Concession Facility Repair and Maintenance Labor Expense
2. Concession Facility Repair and Maintenance Material Expense
3. Concession Facility Repair and Maintenance Contract Service Expense
4. Non-facility Repair and Maintenance Contract Services Expense
5. Utilities Expense
6. Security Expense
7. Other (Identify)\*
8. Other (Identify)\*
9. Miscellaneous Undistributed Departmental Expenses
10. Total Undistributed Departmental Expenses (Schedule A, Line 8)

General and Administrative Expenses

- 11. Owner's, Officer's, and Partner's Salaries; Payroll Taxes; and Benefits (Schedule J, Line 21)
Other Salaries, Payroll Taxes, and Benefits:
Office/Manager's Office
Accounting/Finance
Human Resources/Personnel
Information System/Data Processing
Marketing/Promotion
Other (Identify)
12. Total Other Salaries, Payroll Taxes, and Benefits
13. Employee Recruitment, Personnel, and Training
14. Credit Card Charges and Bank Charges
15. Telecommunications
16. Advertising and Promotional Expense
17. Contributions
18. Complimentary
19. Management Fees
20. Corporate Overhead
21. Legal and Professional Fees
22. Accounting and Audit Fees
23. Consulting Agreements
24. Bad Debts
25. Office Expense
26. Postage and Freight
27. Travel Expenses
28. Dues and Subscriptions
29. Other (Identify)\*
30. Other (Identify)\*
31. Other (Identify)\*
32. Total General and Administrative Expenses (Schedule A, Line 9)

\*All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE I – COMPUTATION OF GOVERNMENT FEES

- Line 1. Enter the amount of the flat fee specified in the contract or permit.
- Line 2. Enter the amount from Schedule A, Line 1.
- Line 3-5. Enter the name and amount of gross receipts from all subconcessionaires that provided services authorized in the contract or permit.
- Line 6. Add lines 3 through 5 and enter the amount.
- Line 7. Enter the amounts applicable to authentic United States Indian, Alaskan Native, Native Samoan, and Native Hawaiian Handcraft.
- Line 8. Enter only the amount applicable to the categories provided.
- Line 9. Enter only the amount applicable to the categories provided.
- Line 10. Enter only the amount applicable to the categories provided.
- Line 11. Enter only the amount applicable to the categories provided.
- Line 12. Enter only the amount applicable to the categories provided.
- Line 13. Enter only the amount applicable to the categories provided.
- Line 14. Enter only the amount applicable to the categories provided.
- Line 15. Enter only the amount applicable to the categories provided.
- Line 16. Enter only the amount applicable to the categories provided.
- Line 17. Enter only the amount applicable to the categories provided.
- Line 18. Enter only the amount applicable to the categories provided.
- Line 19. Enter the description and amount for other authorized deductions not shown elsewhere.
- Line 20. Add lines 7 through 19 and enter the amount.
- Line 21. Subtract Line 20 from the sum of Lines 2 and 6 and enter the amount.
- Line 22-24. Enter the percentage rate(s) as stated in the contract or permit. Calculate and enter the appropriate amount.
- Line 25. Add Lines 22 through 24 and enter the amount.
- Line 26-28. Enter the subconcessionaire's names and amount of commission, fees, or compensation received from the subconcessionaires shown on Lines 3 through 5.
- Line 29. Add Lines 26 through 28 and enter the amount.
- Line 30. Enter one half (50%) of the amount shown on Line 29.
- Line 31. Add Lines 1, 25, and 30 and enter the amount. This amount should equal the amount shown on Schedule A, Line 10.

Concessionaire

Year Ending: XXXXXXXXXX

**Computation of Government Fees**

1. Flat Fee.....

**Percentage Fee**

2. Gross Receipts (Schedule A, Line 1) .....

PLUS: Gross Receipts from Subconcessionaires	Amount	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. Total Gross Receipts of Subconcessionaires .....		_____

**LESS: Authorized Deductions (if Included in Gross Receipts)**

7. Native Handcraft .....

8. Intracompany Earnings .....

9. Optional Services .....

10. Charges for Employees' Meals and Lodging .....

11. Cash Discounts on Purchases .....

12. Cash Discounts on Sales .....

13. Returned Sales and Allowances .....

14. Excise Taxes added to Sales Price.....

15. Gasoline Taxes .....

16. Cost of Fishing Licenses Fees Sold.....

17. Cost of Postage Stamps Sold .....

18. Outside of Reclamation Unit Sales (Included in Gross Receipts) .....

**Other Authorized Deductions**

19. \_\_\_\_\_

20. Total Authorized Deductions .....

21. Total Gross Receipts Subject to Percentage Fee .....

22. Fee Structure	_____ % of _____	= _____
23.	_____ % of _____	= _____
24.	_____ % of _____	= _____

25. Total Percentage Fee .....

**FIFTY PERCENT OF COMMISSIONS/FEES/COMPENSATION FROM SUBCONCESSIONAIRES**

<b>Name of Subconcessionaire</b>	<b>Amount</b>
26. _____	_____
27. _____	_____
28. _____	_____
29. Total Commission/Fees/Compensation From Subconcessionaires (Schedule A, Line 25) .....	_____
30. Fifty Percent of Commission/Fees/Compensation From Subconcessionaires .....	_____
31. Total Flat Fee, Percentage Fee, and Subconcessionaire Fee (Schedule A, Line 10) .....	_____



## **SCHEDULE J – INFORMATION ON CORPORATE OWNERS, OFFICERS, AND PARTNERS**

Self-Explanatory.

Concessionaire

Year Ending: ██████████

Information on Corporate Owners, Officers, and Partners

	A	B	C	D			E	F	G
	Name	Title	% of Time Devoted to Business	Partnership Interest	Common Stock	Preferred Stock	Total Wages	Total Benefits	Total Amount of Compensation
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.	Total (Schedule H, Line 11)								

\* List all officers. In addition, list all owners and partners owning a 10 percent or more direct or indirect interest. If the concessionaire has more officers, owners, and partners than the spaces above provide for, please complete an additional schedule. Sole proprietors should not complete this form.

## **SCHEDULE K – SUPPORTING SCHEDULE**

This schedule should include a comprehensive listing of all the expenses that are grouped together under one heading within the label of “Other” that exceed a combined line total of \$10,000. This includes:

- Schedule A – Lines 19, 20, and 26
- Schedule D – Lines 11 and 17
- Schedule F – Lines 16, 30, 34, and 47-49
- Schedule G – Lines 23-25
- Schedule G1 – Lines 23-25
- Schedule H – Lines 7-8 and 29-31

Concessionaire

Year Ending:

Supporting Schedule



## **SCHEDULE L – ADDITIONS TO AND DISPOSALS OF FIXED ASSETS**

For each asset acquired or disposed of during the current year, other than those in which the concessionaire is claiming CIR, enter the information required in each column by category. Additions and disposals must be totaled by category. The categories are the same as those enumerated on Schedule C and defined in the instructions to Schedule C. For each fixed asset (item) in which the concessionaire can claim a CIR, it is necessary to enter the information set forth in Schedule M.



## **SCHEDULE M – CAPITAL INVESTMENT RECOVERY ASSETS**

For each fixed asset (item) in which the concessionaire can claim a CIR, it is necessary to enter the information set forth in this schedule. The purpose of this schedule is to accurately track the value of CIR assets.

Concessionaire

Year Ending:

**Capital Investment Recovery Assets**

	Item Description	Year of Item Completion	Original Cost Basis Reported on Federal Tax Return for Item in Year of Completion	IRS Straight Line Useful Life in Year of Item Completion	Origin*
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					

\*Respond "A" if subject fixed asset was implemented by another concessionaire. Respond "B" if subject asset was implemented by current concessionaire.



## **SCHEDULE N – RESERVE ACCOUNT ANNUAL RECONCILIATION**

- Line 1. Enter the amount from Schedule A, Line 1.
- Line 2. Enter amounts authorized in the contract or permit. In most circumstances, this will be the amount shown on Schedule I, Line 21.
- Line 3. Subtract Line 2 from Line 1 and enter the amount.
- Line 4. Show the percentage amount stated in the contract or contract amendment.
- Line 5. Multiply Line 3 by 4 and enter the amount.
- Line 6. Specify other calculations used in determining reserve account fees.
- Line 7. Add Line 5 and Line 7 and enter the amount.
- Line 8. Insert the ending balance from Schedule N, Line 13, from the preceding year.
- Line 9. Show the actual deposits made in the current accounting year.
- Line 10. Show the actual expenditures made in the current accounting year.
- Line 11. Show the interest income reported for this account in the current accounting year.
- Line 12. Show the bank charges reported for this account in the current accounting year.
- Line 13. Add Lines 8, 9, and 11, subtract Lines 10 and 12, and enter the amount.
- Line 14. If Line 13 has a positive balance and these funds are already obligated to another project, list the projects along with the amount of money obligated to each project.
- Line 15. Show the amount of money that is not obligated for projects.
- Line 16. Add Lines 14 and 15 and enter the amount.
- Line 17. List the deposits made in the current accounting year that were accruals due in the past calendar or fiscal year.
- Line 18. List deposits made in the current accounting year that are for payments of current year special account liabilities.
- Line 19. Add Lines 17 and 18 and enter the amount.
- Line 20. List the accrued liability the concessionaire has on the current year deposits.
- Line 21. Add Lines 18 and 20 and enter the amount.

Concessionaire

Year Ending:

**Reserve Account Annual Reconciliation**



- 1. Gross Receipts (Schedule A, Line 1) .....
- 2. Less-Adjustments to Gross Receipts.....
- 3. Gross Receipts Subject to Reserve Account Calculation .....
- 4. Reserve Account Percentage Rate ..... %
- 5. Amount Due Reserve Account .....
- Other Method (Specify Calculation)
- 6. \_\_\_\_\_
- 7. Accrued Amount Due to Reserve Account for Current Year.....

**Reserve Account Combined Cash Reconciliation**

- 8. Balance in Reserve Account from Prior Year .....
- 9. Plus: Current Year Deposits .....
- 10. Less: Current Year Expenditures (Must also complete Schedule O).....
- 11. Plus: Current Year Interest .....
- 12. Less: Current Year Bank Charges.....
- 13. Balance in Reserve Account at Year End (Should equal Schedule B, Line16) .....

*Allocation of Line 13*

- 14. Encumbered Balances (List Projects and Amounts)
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- 15. Unencumbered Balance .....
- 16. TOTAL - Add lines 14 and 15 (Should equal Line 13 above) .....

**Deposit Reconciliation**

- 17. Reserve Account Deposits for Prior Year Liabilities .....
- 18. Deposits for Current Year Liabilities .....
- 19. TOTAL - Add Line 17 and Line 18 (Should equal Line 9 above) .....
- 20. Accrued Liability Not Yet Deposited for Current Year.....
- 21. TOTAL - Add Line 18 and Line 20 (Should equal Line 7 above) .....

## **SCHEDULE O – RESERVE ACCOUNT EXPENDITURES**

- Line 1. Column 1. List the project number of each reserve account project.
- Column 2. List expenditures from reserve account by locations or site in date order.
- Column 3. List amount spent on each specific project.
- Column 4. Show the percentage amount of completion for the overall project.

**Note:** The listing of expenditures is to be specific for each individual item. Expenditures are not to be lumped together. Terms that will not be acceptable will include Building Improvements and Leasehold Improvements.



## **SCHEDULE P – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS**

### **LODGING**

- Line 1. Show the number of hotel, motel, cabin, or other lodging units available at month's end. (Exclude all tent and RV site rentals.)
- Line 2. Show the total number of room-nights available (e.g., if 10 rooms were available throughout September, 300 room-nights were available for that month).
- Line 3. Show the total number of room-nights sold.
- Line 4. Show the gross receipts for hotel, motel, cabin, or other lodging units provided by the concession exclude all receipts from tent and RV site rentals. The entries in this row should equal the sum of Lines 1 and 2 of Schedule F.
- Line 5. Show the number of bills processed for hotel, motel, cabin, or other lodging units excluding all tent and RV site rentals.
- Line 6. Self-explanatory.
- Line 7. Show the number of employees operating the hotel, motel, cabin, or other lodging units available at month's end that were paid on an hourly basis.

### **FOOD AND BEVERAGE (FULL-SERVICE RESTAURANTS)**

- Line 8. Show the total number of seats available in the concession's full-service restaurants (full-service restaurants include those establishments where guests order food while seated and subsequently the food is brought to their table by a server).
- Line 9. Show the number of guests/covers who were served in those restaurants.
- Line 10. Show the number of checks/tickets processed in those restaurants.
- Line 11. Self-explanatory.
- Line 12. Show the size (in square feet) of the concession's full-service restaurants, including kitchen, storage, and other back-of-house areas.
- Line 13. Show the number of employees working in the concession's full-service restaurants at month's end who are paid on an hourly basis.

### **GIFTS AND MERCHANDISE**

- Line 14. Show the total number of sales transacted by the concession's gift and merchandise retail operations.
- Line 15. Self-explanatory.
- Line 16. Show the size (in square feet) of the concession's retail operations, including back-of-house areas.
- Line 17. Show the number of employees working in the concession's gift and merchandise operations at month's end who are paid on an hourly basis.

### **MARINAS**

- Line 18. Show the total number of uncovered slips available for lease within the marina at month's end.
- Line 19. Show the number of uncovered slips leased at month's end.
- Line 20. Specify how many times uncovered slip leases changed owners during the month (turnover).
- Line 21. Self-explanatory.

Concessionaire

Year Ending: ██████████

**Operational and Miscellaneous Financial Statistics**

	Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Lodging</b>												
1. Number of Rooms Available .....												
2. Total Number of Nights Available.....												
3. Total Number of Nights Sold.....												
4. Gross Receipts .....												
5. Room Turnover .....												
6. Total Number of Guests .....												
7. Number of Hourly Employees .....												
<b>Food and Beverage (Full Service Restaurants)</b>												
8. Number of Seats Available .....												
9. Number of Guest Served .....												
10. Number of Checks/Tickets.....												
11. Gross Receipts .....												
12. Total Square Feet .....												
13. Number of Hourly Employees .....												
<b>Gift and Merchandise</b>												
14. Total Number of Sales .....												
15. Gross Receipts .....												
16. Total Square Feet .....												
17. Number of Hourly Employees .....												
<b>Marinas</b>												
18. Number of Uncovered Slips Available for Lease.....												
19. Number of Uncovered Slips Leased .....												
20. Uncovered Slip Turnover .....												
21. Gross Receipts (Uncovered Slips) .....												

## **SCHEDULE P1 – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS (CONTINUATION SHEET)**

- Line 22. Show the total number of covered slips available for lease within the marina at month's end.
- Line 23. Specify how many times covered slip leases changed owners during the month.
- Line 24. Self-explanatory.
- Line 25. Show the total number of dry storage units the concession made available for lease at month's end.
- Line 26. Show the number of dry storage units leased at month's end.
- Line 27. Specify how many times dry storage units changed owners during the month (turnover).
- Line 28. Self-explanatory.
- Line 29. Show the total number of mooring buoys available for lease at month's end.
- Line 30. Show the number of mooring buoys leased at month's end.
- Line 31. Specify how many times mooring buoy leases changed owners during the month (turnover).
- Line 32. Self-explanatory.
- Line 33. Show the total number of houseboats available for rent.
- Line 34. Show the number of days of houseboat rental available for rent (e.g., if 10 houseboats were available throughout September, 300 days of houseboat rental were available for that month).
- Line 35. Show the total number of days during the month the houseboats were used or occupied by paying customers.
- Line 36. Self-explanatory.
- Line 37. Show the number of times houseboats were rented, regardless of the duration of those rentals.
- Line 38. Sum up the number of houseboat users in each rental party.
- Line 39. Show the number of employees operating the marina, including any vessel rental operations, at month's end who are paid on an hourly basis.

### **MISCELLANEOUS FINANCIAL DATA**

- Line 40. Show the total amount of deposits paid by visitors to secure lodging, houseboat, and other rentals in advance of their visit.
- Line 41. Provide an estimate of the value of all concession-related merchandise, food and beverage, and other inventory at month's end. Stipulate the inventory accounting method used for these estimates (e.g., LIFO or FIFO).
- Line 42. Show the total payroll for direct labor during the month. This line-item corresponds to Schedule G, Line 10. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 10.
- Line 43. Show the concession's gross receipts during the month from all sources. This line-item corresponds to Schedule G, Line 2. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 2.
- Line 44. If not a year-round operation, enter under the appropriate months the concession's opening and closing dates. For the opening date, enter "O," followed by the day of the month. For the closing date, enter "C," followed by the day of the month. If elements of the concession operation opened or closed at different times, enter the dates when the entire operation was opened and closed.

Concessionaire

Year Ending: ██████████

**Operational and Miscellaneous Financial Statistics (Continuation Sheet)**

	Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Marinas - continued</b>												
22. Number of Covered Slips for Lease.....												
23. Number of Covered Slips Leased.....												
24. Gross Receipts (Covered Slips) .....												
25. Number of Dry Storage Units Available for Lease .....												
26. Number of Dry Storage Units Leased.....												
27. Unit Turnover.....												
28. Gross Receipts (Dry Storage Units) .....												
29. Number of Mooring Buoys Available for Lease.....												
30. Number of Mooring Buoys Leased .....												
31. Mooring Buoys Turnover .....												
32. Gross Receipts (Mooring Buoys) .....												
33. Number of Houseboats Available for Rent.....												
34. Number of Days Houseboat Rental Available.....												
35. Number of Days Houseboats Used/Occupied .....												
36. Gross Receipts (Houseboat Rental) .....												
37. Number of Times Houseboats Rented.....												
38. Total Number of Houseboat Users .....												
39. Total Number of Marina Employees .....												
<b>Miscellaneous Financial Data</b>												
40. Advanced Deposits.....												
41. Inventory (Accounting Method) .....												
42. Direct Labor Expense .....												
43. Total Concessions Gross Receipts.....												
44. Open and Closing Dates.....												



## ANNUAL FINANCIAL REPORT – DEFINITIONS

**Accounting** – The language of business that is used to measure, record, report, and interpret the financial aspects of a business.

**Accounts payable** – Money your company owes to business creditors for the purchase of outside services and goods.

**Accounts receivable** – Money owed to your company by other customers.

**Amortization** – The process of gradually paying off a liability over a specified number of years.

**Area manager** – A field level manager.

**Assets** – In accounting terms, something of monetary value which may be physical (building and inventory), an object (stock certificate), or a right (patent).

**Balance sheet** – Statement showing the company's financial position at any given point in time. This statement consists of the assets, liabilities, and owner's equity.

**Capital** – Wealth in the form of money invested in the business by its owners.

**Cash** – Money the business has in its possession.

**Cash flow** – The inflow and outflow of money in a business in a specified time. Cash flows differ from profits or losses because of non-cash expenditure and accrual basis accounting.

**Contingent liability** – A liability that is not shown on the company's financial statements but should be explained in the accountant's notes to the financial statements. This liability is probably because of a lawsuit and could become a contingent liability if the company was to lose the suit.

**Corporation** – An organization that has been chartered by the State in which the individual(s) or company is based.

**Current assets** – Cash and other assets that can be converted into cash in a short period of time (usually within 1 year). Current assets include cash, marketable securities, accounts receivable, inventory, and prepaid expenses.

**Current liabilities** – Money that is owed by a company that will be paid within a short period of time (usually within 1 year).

**Depreciation** – A systematic approach to reduce the value of a fixed asset to account for wear and tear, obsolescence, and the passage of time during the fixed asset's lifetime.

**Direct expense** – Expenses that are directly related to the volume of gross sales.

**Dividend** – Payment made to stockholders by the company.

**Expenditure** – A payment a company makes when it purchases a fixed asset or some other item that does not affect the income statement at the time of purchase.

**Expenses** – Cost of doing business other than that associated with the cost of goods sold. These items will affect the income statement immediately upon purchase.

**Fiscal year** – An annual accounting period that does not end on December 31.

**Fixed assets** – Items that are not usually intended for sale; they are used in the production of other items for resale. Also, if this asset were sold, it would probably interfere with business operations. Examples are buildings, furniture and fixtures, land, and other long-term investments.

**Fixed costs** – Operating costs that remain relatively constant regardless of fluctuations in the gross sales.

**General and administrative (G&A) costs** – Expenses that are not designated to a specific business area.

**Goodwill** – The difference between the purchase price of a business and the price of the assets bought.

**Gross profit** – Gross sales minus the cost of goods sold.

**Income statement** – See statement of income.

**Intangible assets** – Items that are important to one's business that are not physical objects. Examples of these would be goodwill, patents, trademarks, and copyrights.

**Inventory** – Raw materials, partially finished products, and finished products that have not yet been sold.

**Liabilities** – Debts a company owes to others.

**Long-term liabilities** – Money that is owed by a company that will not be paid within 1 year.

**Net income** – Profit at the end of the year after paying all expenses. Also known as “the bottom line.”

**Partnership** – A business in which two or more individuals, partnerships, or corporations pool their resources and share the profit or loss of the joint venture.

**Prepaid expense** – Payment of expenses before the company has received the benefit.

**Retained earnings** – The total cumulative net profit that a business has earned over its lifetime that has not yet been distributed.

**Statement of income** – Summarizes the financial activity for a specified time period by looking at the gross revenue and the expenses generated by the company. This statement is also called the profit and loss (P&L) statement.

## **SUBCHAPTER 2-12 – EXHIBIT K: RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT**

### **A. INTRODUCTION**

This exhibit concerns the use of the RAFI funds. Funds set aside in a RAFI are referred to as RAFI funds. The source of these funds is established in the main body of the concession contract, section 4. In the event of any inconsistency between this exhibit K and the main body of the concession contract, the main body of the concession contract shall prevail.

### **B. POLICY FOR USE OF THE RESERVE ACCOUNT FOR FACILITIES IMPROVEMENT**

The concession contract includes specific provisions establishing a RAFI and describes its purpose or principal goals. The account is needed to make funds systematically available for the ongoing improvement, construction, and renovation of concession facilities, specifically, significant nonrecurring capital improvement projects. The RAFI allows reserves to be set aside for known requirements even while exact projects, construction timing, and planning are not yet resolved.

The RAFI shall be used to improve, rehabilitate, or construct facilities that are Government or concessionaire funded and assigned to the concessionaire to directly support concessionaire services authorized or required under this concession contract.

### **C. APPROPRIATE FACILITIES**

RAFI funds may be used only to fund concessionaire visitor service and concession facility projects constructed on Federal estate lands assigned to the concessionaire for use in maintaining the visitor services and concession facilities authorized by the concession contract. Expenditures for projects on other lands or for other purposes are a violation of the concession contract and unlawful. The RAFI projects, as established in this concession contract, are considered concession contract obligations.

Examples of appropriate facilities would include marinas, marina slips, marine fuel service facilities, campground pads and utilities, trailer and recreational vehicle pads, lodging, restaurants, gift shops or service stations, as well as support facilities necessary for the functioning of the concession's primary visitor facilities such as utility systems, administrative offices, and repair shops.

## **D. ACCOUNT INSTRUMENTS AND OWNERSHIP**

RAFI funds can be invested in various instruments in advance of being used to carry out the concessionaire's obligations under the concession contract. The parties to this concession contract exhibit K agree that RAFI funds that have yet to be disbursed shall be either held in an account insured by the Federal Deposit Insurance Corporation or a similar insuring entity of the Federal Government, and/or all investment instruments, which shall be notes, bills, and bonds issued by the United States Treasury, that will be whole instruments including both principal and interest (no derivative instruments) and shall be directly backed by the full faith and credit of the United States of America.

The funds in the RAFI will be held in accounts established and owned by the concessionaire to carry out concessionaire obligations under this concession contract. Trust and escrow accounts are not permissible. The concessionaire makes an irreversible commitment when deposits are made into a RAFI. Deposited funds do not become Government funds. Interest earned on RAFI funds becomes RAFI funds. The concessionaire is responsible for taxes owed on such interest. RAFI funds cannot be used to pay such taxes.

**[NOTE TO PREPARER: Insert the following section up to the bracketed word "END" only if the concessionaire will be given the right to a CIR in this concession contract.]**

Approved concessionaire improvements may qualify for a CIR as described in Exhibit C: Capital Investment Recovery and in the main body of the concession contract, section 4 D. Upon expiration of this concession contract, the remaining unexpended balance in the RAFI, if any, shall be deducted from the concessionaire's CIR value.

The remaining unexpended balance in the RAFI shall be forfeited by the concessionaire and given to Reclamation as part of the penalty for termination of this concession contract or expiration as a result of failure to complete the Concession Facilities Improvement Program.

## **E. ACCOUNT REPORTING**

RAFI funds must be maintained in a separate account, with record keeping used to maintain continuous records of the balance as well as deposits to the account and disbursements from the account. Concessionaires are responsible for reporting RAFI activity as required by the Secretary and described in Section 8 – Accounting Records and Reports, in the main body of the concession contract and in Exhibit J: Financial Reporting Forms.

The monthly RAFI activity report shall be received by the Secretary within 15 days after the last day of each month that the concessionaire operates. The concessionaire is required to follow the monthly RAFI activity report form in this exhibit K without alteration and without modifications.

## **F. ACCOUNT EXPENDITURES THAT ARE NOT APPROPRIATE**

RAFI funds shall not be used for the operating costs of building systems or for minor adjustment and repair that would be the usual, routine responsibility of the concessionaire. RAFI funds shall not be used for cyclic maintenance projects with a normal recurrence interval of less than 7 years.

Additionally, RAFI funds are not to be used for maintenance of, or improvements to, Government property not assigned to the concessionaire, or for Government projects or activities not directly related to the provision of the involved concessionaire's services.

RAFI funds are not to be used to pay for or otherwise reimburse the concessionaire for annual operating expenses or Government appropriation accounts.

RAFI funds will not be used for acquisition, lease, or maintenance of personal property. With the exception of built-in refrigeration units in kitchen facilities, all kitchen equipment shall be considered personal property and not eligible for RAFI expenditures. Examples of the type of other personal property that is not appropriate for RAFI expenditures include, but are not limited to, vehicles and vessels, houseboats, barges, personal watercraft (like jet skis), motor boats, sailboats, tour boats, paddleboats, canoes, kayaks, windsurfing equipment, dinghies, rowboats, parasailing equipment, horses, bicycles, motorbikes, snowmobiles, personal vehicles, buses, trucks, vans, and vending machines.

The account shall not be used to replace individual fixtures, doors, windows, or pieces of equipment (e.g., window air conditioning units) regardless of whether they are damaged by use or vandalism or have deteriorated as a result of normal operations.

The account shall not be used for decorating costs, furniture, interior painting, or periodic re-carpeting or other necessary cosmetic work. RAFI funds shall not be used for cleaning, housekeeping, groundskeeping, regular landscaping care, or similar routine upkeep activity. RAFI funds shall not be used for seasonal opening and closing costs.

## **G. APPROPRIATE ACCOUNT EXPENDITURES**

Project activities that are appropriate for RAFI fund expenditures include project planning, design, and construction of new buildings and infrastructure, renovation or rehabilitation of existing buildings and related infrastructure, demolition of old facilities, footprint and landscape design, and site restoration. Appropriate RAFI fund expenditures would include major capital expenditures in Government-owned structures/facilities that are assigned to concessionaires for the purposes of their use. The following list identifies some but not necessarily all of applicable expenditures:

- Foundations.
- Building frames.
- Window frame replacement.
- Sheathing.

- Subfloors.
- Drainage.
- Renovation of building systems (electric, plumbing, HVAC, roofing, etc.).
- Additions (buildings, walkways, docks, etc.).

Certain fixtures used by the applicable facilities, although removable, would be considered appropriate for RAFI fund expenditures, for example:

- Water heaters.
- Compressed air tanks.
- Fuel storage tanks.
- Hoists and equipment.
- Vault and composting toilet facilities.
- Others on a case by case basis.

The concessionaire may, with the approval of the area manager, be allowed to charge the RAFI fund for reasonable administrative expenses directly associated with the implementation of capital improvements. Such expenses, however, will not exceed 5 percent of approved project expenditures. Before allowing such expenses, they must be approved, in writing, by the Reclamation area manager, who shall determine the reasonableness and appropriateness of such expenses. Such approval shall be based on the concessionaire's submission of a detailed listing of the administrative costs it expects to incur and those it seeks to fund through the RAFI.

## **H. PROJECT CONTRACTS**

The contracts entered into by the concessionaire (or others, should that be authorized) to undertake projects are private contracts, not Government contracts, and are issued at an arm's length to obtain the best contract price possible. The concessionaire shall not, directly or indirectly, enter into any arrangement or agreement whereby it receives money or other benefits from the contractor.

The area manager may require that the RAFI funds be used to pay for the cost of an independent, third-party construction supervisor/inspector to represent the interests of the Government on any project in which the area manager feels such a supervisor/inspector would be cost effective and necessary to the sound administration of the project.

The concessionaire shall ensure that a Builders' Risk Form insurance policy is in effect during the construction. The area manager will approve, in writing, the type and amount of insurance. This policy is an appropriate expenditure from the RAFI funds.

## **I. PROJECT NOMINATION AND APPROVAL**

1. Spending money from the RAFI requires a coordinated effort between the concessionaire and the Reclamation area manager. Projects must be proposed,

prioritized, approved, bid, and accomplished using the orderly process described below to ensure accountability.

2. Reclamation staff, the concessionaire, or both may submit proposals to the area manager for the use of the RAFI funds using a format established by the area manager.
3. The area manager will establish an account committee to review and recommend approval or disapproval of project nominations in accordance with the Annual Improvement Management Plan and exhibit H. The committee will include at least Reclamation's concession management person and other staff members deemed appropriate by the area manager. The chair will be the Reclamation lead concession operative unless a different appointment is made by the Secretary. The area manager will establish a process to review, prioritize, and approve or disapprove project nominations based on, but not limited to, the following:
  - Applicable laws and regulations.
  - Reclamation's Concessions Policy and Directives and Standards.
  - Concession contract and amendments, including the appropriateness of the project given the RAFI fund restrictions stated in this exhibit.
  - Operating Plans, Maintenance Plans, and Annual Improvement Management Plans.
  - Need, based on resource impacts or human risk factors.
  - Compliance with Reclamation planning documents.
  - Other applicable factors.

Upon completion of the review, the committee will prepare a record of the evaluation and a recommendation for approval or disapproval by the area manager. The documentation will be included in the proposal format established by the area manager.

4. The area manager will approve project nominations.
5. The area manager will authorize each project in a written letter to the concessionaire. The letter will establish a project account number and set a not-to-exceed budget amount. The established budget may be increased only by subsequent written authorization by the area manager. The budget amount will include all direct project hard and soft costs, such as design, construction, material purchases, environmental compliance reports, environmental mitigation, contingencies, and construction inspection.

The project statement will provide a chronological audit trail of the decisionmaking activity, including meetings, inspections, and change orders, from nomination to project completion. Support documents will be maintained in the project file or referenced in the project statement.

## **J. SPECIFICATIONS, DESIGN, AND BIDDING**

- 1(a). Work funded by a RAFI account is to be accomplished through competitive contracts or as described below. The concessionaire shall assume responsibility, including liability for any RAFI funded contracts awarded but not completed by the previous concessionaire pursuant to this concession contract.
- 1(b). Concession employees will not perform construction work unless the area manager determines that there are circumstances that make such work advantageous and that it would be effectively managed. Concessionaires may use sole-source contracts only with the prior approval of the area manager.
- 1(c). The concessionaire may not bid as an independent contractor or be employed by the contractor for RAFI-funded projects within their own concession contract.
- 1(d). The concessionaire shall not directly or indirectly enter into any contract whereby it benefits directly or indirectly through the transfer of funds or other benefits from a RAFI project contractor conducting work within the bounds of the concessionaire's concession contract.
- 1(e). Exceptions to these policies may be granted, in writing, by the area manager on a case-by-case basis when there are unusual circumstances, clear advantages to the Government, and adequate controls.
- 2(a). The area manager will approve a project scope of work before the concessionaire begins project design.
- 2(b). Design work will typically be accomplished by an architect, engineer, or other design consultant hired by the concessionaire. The area manager will approve the concessionaire's selection of the design consultant.
3. Plans and specifications will be prepared by the concessionaire or the concessionaire's design consultant. When design is involved in a project, the designs will be reviewed by the area manager as appropriate to the project and as specified in exhibit H. Sufficient time should be allowed for design review by appropriate Reclamation staff at area, regional, or technical service center offices or by independent consultants.
4. Once plans and specifications are approved, the concessionaire will prepare to advertise or otherwise solicit bids for the project.



5. For each project, the package for bidding will include at least the plans and specifications and a draft contract or agreement under which the work will be carried out and that has been reviewed and approved by the area manager. If lodging and/or meals are provided by the concessionaire as part of the contract, the contract must include this provision and rates.
6. If the project is bid, the concessionaire will receive, open, and evaluate project bids.
7. The concessionaire will recommend and justify selecting a contractor from among the bidders or from other sources if a bid process was not used. This recommendation will be accepted or rejected, in writing, by the area manager. Once confirmation has been issued, the concessionaire is authorized to sign a contract and proceed with the project.
8. Change orders on project contracts require approval, in writing, from the area manager.
9. Upon certification from the contractor that a project is complete, the project will be inspected jointly by the concessionaire and the area manager. The project will not be accepted by the concessionaire until authorized in writing by the area manager.
10. Upon project completion, the concessionaire will submit to the area manager a project completion report, including total project costs, warranties, service manuals, other similar documents, and as-built drawings of the project in the form specified. Invoices, certificates, and other documentation related to the final segment of work accomplished shall accompany the report and be the basis for final payment to the contractor. Final payment to the contractor shall not be made until the project has been accepted, in writing, by the area manager.

**[Place holder for “MONTHLY RAFI ACTIVITY REPORT FORM.”]**

**Exhibit K Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

**CONCESSIONAIRE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

Title: \_\_\_\_\_

## **SUBCHAPTER 2-13 – EXHIBIT L: RECLAMATION MANUAL POLICY AND DIRECTIVES AND STANDARDS**

This exhibit includes the most recent version of relevant policies and directives and standards of Reclamation at the time of concession contract preparation. Concessionaires should be aware that the Secretary amends these documents from time to time. The Concessionaire shall be responsible for complying with the latest Reclamation Concession Policy and Directives and Standards in effect at any point during the contract period.

**[NOTE TO THE PREPARER: If the concessions management partner is non-Federal, such as the State or county, include:**

- **LND 04-02 Concessions Management by Non-Federal Partners.**
- **LND P02 Concessions Management.**

**If Reclamation manages the concession, include:**

- **LND P02 Concessions Management.**
- **LND 04-01 Concessions Management by Reclamation.**

**The latest Reclamation documents available are on the Internet at the Reclamation website. If the preparer deems appropriate, any other relevant policies should be included in this exhibit, such as LND P01 Cultural Resources Management, etc.]**

**Exhibit L Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

By: \_\_\_\_\_  
Area Manager, Bureau of Reclamation

**CONCESSIONAIRE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

## SUBCHAPTER 2-14 – EXHIBIT M: RISK MANAGEMENT

### A. CONCESSIONAIRE SELF-INSPECTION REQUIREMENTS

The concessionaire is required to conduct an annual documented inspection of all equipment, facilities, visitor activities, and work processes to determine compliance with established safety and occupational health regulations. The concessionaire must keep inspection records for a minimum of 3 years. These records must include the following information: date of inspection, name of facility/building, identified deficiencies/hazards, classification of deficiencies, abatement date or action plan to correct deficiencies, and name of person conducting inspection.

**[NOTE TO PREPARER: This list should be amended to include any items that are of particular importance to the concession operation being contracted.]**

The following is a list of common items that must be inspected and issues that must be addressed by the Concessionaire:

- Fire extinguishers. (Have they been inspected?)
- Emergency exits. (Are they signed, clear of obstructions, unlocked, etc.?)
- Employee rights posted on bulletin boards.
- Right to know stations (material safety data sheets [MSDS] for the work unit).
- General housekeeping.
- Extension cords. (Are they used properly? They should not be used as permanent wiring.)
- Access to electrical panels. (Access should not be blocked. There should be a clear area 3 feet in front of panels.)
- Warning signs. (Signs such as wet floor, restricted area, ice on walkway, etc., should be posted.)
- Flammable and hazardous materials labeled and stored properly.
- Safety guards on equipment. (Table saws, circular saws, belt guards, etc., should have safety guards; bench grinders should have three guards: tool rest, throat guard, and eye guard.)
- Tripping hazards.

## 1. Checklist for Concessionaire Self Inspection

The following is a checklist of items that must be inspected as a part of the Concessionaire Self-Inspection Program.

1. **Aboveground fuel storage tanks**
  - a. Secondary containment around tanks
  - b. Venting for tanks
  - c. Sources of ignition
2. **Building maintenance**
  - a. Laundry chute doors
  - b. Clothes dryer vents
  - c. Elevators
  - d. Door locks
  - e. Occupant load signs
  - f. Floor diagrams
  - g. Fans guarded
  - h. Light bulbs guarded
  - i. Fire walls and partitions
  - j. Floor openings guarded
  - k. Covers and guardrails
  - l. Emergency eye wash
  - m. Lavatories
  - n. Rodents and insects
  - o. Food and toxics stored together
  - p. Headroom – 7 feet
  - q. Floor load rating
3. **Compressed air tanks**
  - a. Installation
  - b. Belts guarded
  - c. Drains provided
  - d. Drained routinely
  - e. Pressure gage
4. **Compressed gas**
  - a. Hazard identification
  - b. Labeling requirements
  - c. Storage location
  - d. Storing
  - e. Securing cylinders
  - f. Valve protective caps
  - g. Emergency plan requirements
  - h. Oxygen stored next to highly combustible material
5. **Detection systems**
  - a. Local alarm required
  - b. Local alarm functional
  - c. Auxiliary alarms functional
  - d. Single station detectors functional
  - e. Trouble signals
  - f. Secondary power supply
  - g. Detector condition and testing
  - h. Automatic door closures functional
  - i. Pull boxes
6. **Electrical**
  - a. Ground fault circuit interrupters (GFCI) provided as required
  - b. Service properly grounded
  - c. Appliances grounded
  - d. Equipment grounded
  - e. Over current protection
  - f. Receptacle faceplates
  - g. Covers on outlet boxes
  - h. Covers on switches
  - i. Junction boxes covered
  - j. Circuit breakers accessible
  - k. Circuit breaker location
  - l. Circuit breakers identified
  - m. Unused openings
  - n. Location of switchboards
  - o. Electrical panel clearance
  - p. Plugs and connectors
  - q. Flexible cords
  - r. Equipment firmly secured
  - s. Outdoor receptacles weatherproof
  - t. On/off switches identified
  - u. Cords damaged or deteriorated
  - v. Ground prong missing
  - w. Temporary wiring used as permanent wiring
  - x. Unused openings in boxes or cabinets
  - y. Receptacles and junction boxes with cover plate
  - z. Light switch cover plates
7. **Emergency lights**
  - a. Batteries
  - b. Lights functional
  - c. Testing and records
  - d. Required
8. **Emergency procedures**
  - a. Use of first aid firefighting equipment
  - b. Employees instructed on duties
  - c. Employees drilled on duties
  - d. Fire exit drills
9. **Exit signs**
  - a. Illumination
  - b. Signs blocked
  - c. Signs missing
  - d. "No exit" signs

**10. Exits**

- a. Visibility
- b. Exits unobstructed
- c. Locked
- d. Marked
- e. Storage in exit ways

**11. Fire extinguishers**

- a. In service
- b. Inspection tag
- c. Monthly inspection
- d. Halon extinguisher inspections
- e. Annual maintenance
- f. 6-year maintenance
- g. Hydrostatic test
- h. Fully charged
- i. File record
- j. Manual pulls labeled
- k. Training
- l. Halon safety training
- m. Adequate distribution
- n. Obstruction
- o. Correct rating and type
- p. Height of mounting
- q. Tamper seals and pins

**12. Fire/smoke doors**

- a. Doors blocked or obstructed
- b. Automatic release functional
- c. Operating hardware functional
- d. Clearance between door and frame
- e. Clearance between door and sill
- f. Smoke seals
- g. Repair of doors
- h. Fusible links
- i. Self closures
- j. Swing direction

**13. Hand and portable power tools**

- a. Guards
- b. Electric tools GFCI protected
- c. Electric tools and receptacles grounded

**14. Heating appliances**

- a. Air filters
- b. Portable heaters

**15. Hoists, cranes, lift trucks**

- a. Inspection
- b. Preventive maintenance
- c. Rated load marked
- d. Cranes idle – less than 6 months
- e. Cranes idle – more than 6 months
- f. Crane hook safety latch
- g. Hoist chains inspected

**16. Housekeeping**

- a. Work areas maintained in clean, orderly condition
- b. Work areas free of obstruction
- c. Aisle and passageway clearance
- d. Tripping hazards identified and marked
- e. Storage in egress or unobstructed exit way
- f. Ice or snow on exterior steps
- g. Trash removal
- h. Ash disposal
- i. Dirty rag storage
- j. Control of nonsmoking areas
- k. Control of smoking debris
- l. Proper storage of flammable liquid and gas
- m. Safety cans
- n. Food storage
- o. Interior decorations
- p. Clearance below sprinkler heads
- q. Seating and table arrangements
- r. Air nozzles
- s. Fire lanes
- t. Combustible storage
- u. Flammable liquids in offices
- v. "Jerry" cans prohibited
- w. Flammable liquid storage room ventilation
- x. Safety cans required
- y. Light bulbs guarded
- z. Floors in dry condition

**17. Kitchens and hood systems**

- a. Hood and ducts clean
- b. Inspection certificate
- c. Grease filters installed
- d. Fusible links replaced annually
- e. Extinguishing system in service
- f. Access to manual release
- g. Instructions for manual operation
- h. 6-month inspection record
- i. Grease trap provided
- j. Deep fat fryer installation
- k. High limit control for deep fat fryer

**18. Ladders, scaffolds**

- a. Inspection and maintenance
- b. Safety feet

19. **Liquefied petroleum gas yards and portable containers**
  - a. Location of containers
  - b. Facilities
  - c. Firm foundation
  - d. Separated from flammable liquids
  - e. Venting
  - f. Shutoff valves
  - g. Tanks painted
  - h. Container condition
  - i. Protection of container accessories
  - j. Protection from tampering
  - k. Combustibles in yard
  - l. Fire extinguisher required
  - m. Requalification
20. **Machinery and equipment**
  - a. General safeguarding
  - b. Point of operation safeguarding
  - c. Reset switches
  - d. Machines anchored
  - e. Grinding wheel tool rest
  - f. Ripsaws
21. **Other**
  - a. Occupational Safety and Health Administration (OSHA) required postings
  - b. MSDS
  - c. Required labeling
  - d. Hazard communication program
  - e. Hazardous materials inventory
22. **Plans**
  - a. Disaster preparedness
  - b. Chemical emergencies and SPCC
  - c. Fire evacuation
  - d. Training
23. **Radial saws**
  - a. Adjustable stop
  - b. Automatic return
  - c. Upper hood
  - d. Nonkickback device
24. **Ramps and platforms**
  - a. Strength
  - b. Surfaces
  - c. Handrails and toeboards
25. **Sprinkler suppression systems**
  - a. System in service
  - b. Waterflow alarm devices
  - c. Antifreeze systems
  - d. Air supply
  - e. Inspection, test, and maintenance records
  - f. Control valves open and secured
  - g. Sprinkler temperature ratings
  - h. Spare sprinkler heads
  - i. Valve identification tags
  - j. Fire department connection
26. **Stairs**
  - a. Lighting
  - b. Tread surfaces
  - c. Handrails
27. **Standpipe systems**
  - a. Systems in service
  - b. Supply valves open
  - c. Maintenance
  - d. Testing
28. **Water heaters**
  - a. Water heater accessible
  - b. Heater location
  - c. Storage near heater
  - d. Relief valve provided
  - e. Relief valve installation
  - f. Venting
29. **Welding**
  - a. Ventilation system provided
  - b. Area screened
30. **Woodworking equipment**
  - a. Automatic restart
31. **Fall protection**
  - a. Required for 6 feet or more

## 2. Questions for Employees:

Have you read the company's Risk Management Plan?

Have you received safety orientation training?

Have you received training on how to do your job safely?

Have you received training on personal protective equipment?

Do you know where the Material Safety Data Sheet (MSDS) station for your work unit is?

Have you been trained to read an MSDS?

Have you been trained to recognize hazardous materials?

Have you been told about the hazardous materials you use in your job?

Have you been instructed to protect yourself while using hazardous material?

Have you been told how to report a hazardous material spill?

Have you been told how to report an accident in which you or a visitor is involved?

Is there a system for reporting hazards? Have you used it?

Have you been told about park-related hazards (high water, wildlife, etc.)?

Does your work unit have safety talks? If so, how often and how long are the talks; what are the subjects of the talks?

## B. CONCESSION RISK MANAGEMENT PROGRAM TRAINING REQUIREMENTS

**[NOTE TO PREPARER: These requirements may not be applicable to all concession operations. The preparer should take into consideration the size of the concession operation and the activities involved in the operations and amend the training requirements accordingly.]**

The following are safety training requirements for concessionaire personnel:

### 1. Top Management

#### Year 1

Introduction to OSHA – 1 hour

Fire Safety – 1 hour

Laws Relating to Safety and Health – 1 hour

**Year 2**

Public Health – 1 hour  
Industrial Health – 1 hour  
NFPA Life Safety Code 101 – 2 hours

**Year 3**

Conducting Safety and Health Inspections – 1 hour  
Managing a Motor Vehicle Fleet Safety Program – 1 hour  
Emergency Operations – 1 hour  
Stress Management – 1 hour

**Year 4**

Occupational Diseases – 2 hours  
Hazardous Materials – 2 hours

**Year 5**

Refresher Training – Subjects to be determined based on current needs

**2. Supervisors****Year 1**

Introduction to OSHA – 1 hour  
Fire Safety – 2 hours  
Laws Relating to Safety and Health – 1 hour  
Public Health – 3 hours  
Industrial Health – 1 hour  
NFPA Life Safety Code 101 – 2 hours

**Year 2**

Conducting Safety and Health Inspections – 4 hours  
Managing a Motor Vehicle Fleet Safety Program – 2 hours  
Emergency Operations – 2 hours  
Stress Management – 1 hour

**Year 3**

Hazardous Materials – 2 hours  
Writing Safety Inspection Reports – 1 hour  
Job Safety Analysis – 2 hours

**Year 4**

Refresher Training – Subjects to be determined based on current needs



### **3. Safety Specialist**

40 hours initial training  
OSHA – 40 hours

8 hours annually (minimum)

#### **Year 1**

Managing a Risk Management Program – 40 hours

#### **Year 2**

Industrial Hygiene – 20 hours

#### **Year 3**

Accident Investigation – 32 hours

#### **Year 4**

NFPA Life Safety Code 101 – 32 hours

### **4. General Employees**

Introduction to OSHA – 1 hour  
Company Risk Management Program – 1 hour  
Fire Safety – 1 hour  
Blood-Borne Pathogens – 1 hour  
Materials Handling – 1 hour  
Aids in the Workplace – 1 hour  
Fire Extinguisher Operations – 1 hour  
Kitchen Safety – 1 hour

### **5. Safety Committee Members**

Introduction to OSHA – 1 hour  
Company Risk Management Program – 1 hour  
Fire Safety – 1 hour  
Blood-Borne Pathogens – 1 hour  
Aids in the Workplace – 1 hour  
Conducting Safety Inspections – 2 hours  
Industrial Hygiene – 2 hours

**C. RISK MANAGEMENT PROGRAM**

**[NOTE TO PREPARER: The concessionaire will be required to develop a Risk Management Program as a part of the proposal. The preparer should insert the Concessionaire’s Risk Management Program in this section once it has been approved by Reclamation. It will then become part of the concession contract.]**

**Exhibit M Approved Effective:** \_\_\_\_\_

**UNITED STATES OF AMERICA**

**CONCESSIONAIRE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Area Manager, Bureau of Reclamation

Title: \_\_\_\_\_

## **SUBCHAPTER 2-15 – EXHIBIT N: GIFT SHOP MERCHANDISING PLAN**

**[NOTE TO PREPARER: This section should be included as an exhibit to the draft concession contract only if it is appropriate for the concession operation being contracted. If there is no gift shop at the concession or if this statement is deemed unnecessary for the merchandise operations at the concession, this section should be omitted from the concession contract. If the concessionaire is required to provide a gift shop merchandising plan as part of the proposal, that plan should be inserted here (after approval by Reclamation).]**

## **SUBCHAPTER 2-16 – EXHIBIT O: ENVIRONMENTAL MANAGEMENT PROGRAM**

**[NOTE TO PREPARER: This section should include the Environmental Management Program submitted by the concessionaire as part of its proposal. Once the Environmental Management Program is approved by Reclamation, it should be inserted into this exhibit.]**

## **PART 3**

# **“HOW TO” GUIDELINES**

Part 3 of the Reclamation Concession Management Guidelines covers chapter 3 through chapter 22. A few of these chapters will be nearly exact replicas of some of the “Draft Concession Contract Exhibits (i.e., Chapter 9 – Concessionaire Annual Financial Report). Others will expand on concepts only briefly outlined in the body of the Draft Concession Contract (i.e., Sale or Transfer of a Concession Contract, Concessionaire Rate Approval Program, Concessionaire Review (Evaluation) Program, etc.). In general, 20 chapters provide significant detail and guidance to Reclamation employees to assist in understanding and completing various components of the “Concession Contract,” (i.e., Maintenance or Operating Plans or in carrying out certain operational aspects of concessions management (i.e., approving rates and conducting concession evaluations). Some of these chapters may not apply in all instances of contract development and may be ignored if not applicable (i.e., Guidelines for Handcrafts, Gifts, and Merchandise; Guidelines for Smoking in Public Buildings; Cultural Resource Management; and Guidelines for Cooperating Associations).

Many of these chapters will provide references to various sources or applicable legislation and regulations for additional information (i.e., Access for People with Disabilities). Chapter 7 on the “Concession Rate Approval Program” provides detailed guidance in understanding and conducting rate approval programs.

These chapters should be used whenever there is a question or concern about an appropriate approach to establishing new contract wording or in administering existing wording that may be similar.

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## **CHAPTER 3 – ACCESS FOR PEOPLE WITH DISABILITIES**

### **A. INTRODUCTION**

The Bureau of Reclamation (Reclamation) has legal mandates and internal management policies that require facilities and programs to be accessible to the public and employees with disabilities. For additional information on nondiscrimination and accessibility see subchapter 2-2.

Reclamation requires access to be provided in both facilities and programs in all areas. Physical access is one aspect of “total accessibility.” The other aspect, “program accessibility,” relates to the ways in which programs and activities are designed to enable people with a variety of disabilities to fully participate and have fulfilling experiences. This means that every reasonable attempt will be made to enable the public and employees with disabilities to get into buildings and facilities and, once there, to receive the same benefits, services, and information provided to everyone else.

Beginning with the passage of the 1968 Architectural Barriers Act (ABA), legislation has been enacted to protect people with disabilities from discrimination and to provide access to both facilities and programs. Both the Uniform Federal Accessibility Standards (UFAS, 1984) and the Americans with Disabilities Act Accessibility Guidelines (ADAAG, 1990) apply to the design of the facilities. The Department of the Interior (Interior) and Reclamation follow the ADAAG whenever it provides equal or greater accessibility than the UFAS, (Equal Opportunity Directive No. 93-07).

The Americans with Disabilities Act (ADA) and the ABA address architectural accessibility. This document identifies the laws and regulations for architectural accessibility issues in the renovation or construction of facilities.

The ADA and Rehabilitation Act address programmatic accessibility. This document identifies the laws and regulations for programmatic accessibility issues in federally assisted and federally conducted activities directed by executive agencies. This act provides ideas, suggestions, and recommendations, in full compliance with the law, to better accommodate people with disabilities at Reclamation facilities and operations.

Reclamation has also published Recreation Facility Design Guidelines, a manual that concessionaires are encouraged to consider when planning for new construction or modification of existing facilities.

### **B. MANAGEMENT POLICIES**

Concessionaires are subject to the ADA requirements to provide the public and employees accessibility to facilities and services. Laws specifically require Reclamation to extend the welcome mat to customers with disabilities by removing barriers that interfere with access to the facilities and services provided.

## 1. Management Policies, Bureau of Reclamation

Every reasonable effort will be made to make visitor and management facilities, transportation systems, programs, and services of Reclamation accessible to and usable by all people. This policy is based on the commitment to provide access to the widest cross section of the public and to ensure compliance with the intent of the ADA (42 United States Code [U.S.C.] 12102 et seq.), ABA (42 U.S.C. 4151 et seq.) and the Rehabilitation Act (29 U.S.C. 701 et seq.). Specific guidance for implementing these laws is found in the Secretary of the Interior's regulations regarding "Nondiscrimination in Federally Assisted Programs" (43 Code of Federal Register [CFR] 17).

In meeting the goal of accessibility, emphasis will be placed on ensuring that people with disabilities will be afforded experiences and opportunities with other visitors to the greatest extent practicable. Separate facilities for people with disabilities are not a substitute for full accessibility to area facilities. Special, separate, or alternative facilities, programs, or services will be provided only when existing facilities, programs, or services cannot reasonably be made accessible. After consultation with people with disabilities or their representatives, the area manager will determine what is reasonable.

It is the policy of Reclamation to provide the highest level of accessibility possible for people with disabilities in planning, constructing, and renovating buildings and facilities and providing programs and services. Providing facilities and services will be consistent with the nature of the area and program and consistent with the obligation to preserve area resources and will provide high quality visitor experiences for everyone.

The degree of accessibility provided will be proportionately related to the degree of manmade modifications at the facility regulated by minimum requirements of standards at the time of construction or alteration.

Buildings and sites in developed areas will be designed and constructed or rehabilitated in accordance with ADAAG and UFAS (if Federal funds are given in whole or in part) to provide full accessibility to people with disabilities. Most administrative offices, some visitor overnight accommodations, some employee housing, and most interpretive and visitor service facilities will be accessible to meet minimum scoping requirements. Undeveloped areas, such as those outside the immediate influence of buildings and roads, will not normally be modified, nor will special facilities be provided for the sole purpose of providing access to all segments of the population. Accessibility in threshold areas, such as scenic overlooks, nature trails, features of special interest, or wayside exhibits, will be determined on the basis of the nature of the topography, the significance of the attraction, and the extent of existing or contemporary manmade modifications.

Reclamation will provide the highest possible level of physical access for people with disabilities to properties on the *National Register of Historic Places*, consistent with the preservation of the properties' significant historical attributes.



Access modifications for people with disabilities will be designed and installed to least affect the features of the property that contribute to its significance. Coordination with the State Historic Preservation Officer is necessary throughout the process of making modifications to historic properties, including changes to improve access.

Transportation systems will have a sufficient percentage of fully accessible vehicles to provide effective services to people with disabilities. On existing systems, the necessary vehicles will be provided on a replacement or retrofit basis. Until the transportation system has been made fully accessible, a separate accessible vehicle will be provided or people with disabilities will be allowed to drive their personal vehicles on otherwise restricted roadways. No new roads will be developed for the sole purpose of providing people with disabilities access to a given area. However, within the existing road system, efforts will be made to provide for specialized transportation needs. Water transportation systems will be as accessible as the areas being served by the systems. Every effort will be made to provide full access to scenic cruise vessels as required by law.

Reclamation will seek to ensure, to the greatest extent possible, that people with disabilities receive the same interpretive opportunities as people without disabilities. Efforts will also be made to ensure that interpretive programs, recreational activities, concession-operated and privately sponsored activities, publications, and other informational materials meet the needs of children, senior citizens, international visitors, and the people with disabilities.

## **2. Accessibility Standards**

Equal Opportunity Directive No. 93-07, Disability Rights Accessibility Standards, from the Director, Office for Equal Opportunity, states that, although all Federal agencies will continue to be legally required to comply only with UFAS until the new ADAAG standards are officially in place, it shall be Interior's policy to follow ADAAG whenever it provides equal or greater accessibility than UFAS. (See Appendix 3, Americans with Disabilities Act Accessibility Guidelines.)

Implementation of the ADAAG for recreation facilities could present some conflicts with safety codes. Generally, Occupational Safety and Health Administration's (OSHA) standards do not apply to outdoor recreation sites.

It is recommended that any agency using ADAAG for recreation facilities establish a procedure for identifying conflicts with safety codes and for resolving those conflicts. These procedures should include the designation of an Authority Having Jurisdiction (AHJ), the development of "risk analysis procedures," and the recognition of the concept of "equivalency."

It is important that conflicts in codes and standards be resolved expeditiously so that design or construction work can continue with the least amount of interruption. Generally, all codes provide for the appointment of an AHJ to

evaluate such instances. The phrase “authority having jurisdiction” is used in code documents in a broad manner because jurisdiction and “approval” agencies vary, as do their responsibilities. Where public safety is primary, the AHJ may be a Federal, State, or local department or individual, such as a fire marshal, chief of fire prevention, labor department official, health department building code official, or electrical inspector.

In the simplest terms, the AHJ is that person or office enforcing the code, in this instance, the ADAAG for recreation facilities. The AHJ should be accessible to the developer or designer at the local level. The AHJ function should be held within each agency for the ease of decisionmaking and consistency in interpretation.

Allowing for an AHJ is an important idea because the ADAAG for recreation facilities cannot anticipate every type of outdoor recreation configuration. The AHJ is given the final power to determine whether accessibility and public safety are being adequately provided. The activities of the local AHJ can be subject to periodic review by external agencies. Evaluating management’s commitment to the programmatic objectives of accessible outdoor recreation areas for people with disabilities, rather than resolving individual applications, is a much more cost-effective and efficient use of the oversight function.

The concept of “equivalency” is used frequently in evaluating conflicting standards. This means that the architect or engineer may propose a design and then the area manager approves the design that accommodates both the objectives of public safety and accessibility, but which itself does not meet the specific code criteria. Essentially, this concept takes any code beyond the scope of a typical general specification code into that of a goal-oriented performance code where state-of-the-art public safety and accessibility for people with disabilities is permissible and even desirable.

This concept recognizes that the judgment of the AHJ is instrumental in achieving the letter and intent of the standard and the intent of the standard is neither limited nor bound by the written provisions of the standard. This permits the designer and the AHJ to pursue alternative solutions that take into account a variety of factors that are sure to be present in an outdoor recreation setting.

Clearly, the application of accessibility standards to public buildings should be straightforward, with little exception. However, modifying outdoor recreation areas becomes more complex because the totality of the land managing agency’s mission must be weighed before making any changes. To the extent that proposed changes to accommodate visitors with disabilities may conflict with public safety principles, a risk assessment must be performed. Alternative designs that achieve an equivalent level of accessibility and safety should be permitted. The risk assessment and equivalency proposals must be approved by an agency-appointed AHJ. The AHJ should be someone who, by education, training, and experience, is qualified to make defensible judgments concerning these issues.

### **3. Universal Design**

Reclamation's goal is to provide accessibility through "universal design" for all visitors and employees to facilities and programs. Subtle solutions that meet the needs of all people should be used when possible (instead of solutions that appear to be obvious accommodations to a specific physical need).

The goal of universal design is to design facilities and programs to be usable by as many people as possible, regardless of who they are or what limitations they may have, without the need for adaptation or specialized design. (See Appendix 6, Bureau of Reclamation Universal Design Principles.)

### **C. AMERICANS WITH DISABILITIES ACT OF 1990 (42 U.S.C. SECTION 12102 ET SEQ.)**

On July 26, 1990, the President of the United States signed into law the ADA. This act is a comprehensive civil rights law that prohibits discrimination on the basis of disability and requires, among other things, that newly constructed and altered State and local government buildings and facilities, places of public accommodation, and commercial facilities be readily accessible to and usable by people with disabilities.

The ADA defines a person with a disability to be an individual who is within one of the following three categories:

- An individual with a physical or mental impairment that substantially limits one or more major life activities, such as walking, seeing, or hearing.
- Someone with a history of such an impairment (e.g., a history of heart disease or cancer).
- Someone who is perceived as having a disability, such as an individual who is severely scarred or one who is believed to have tested human immunodeficiency virus (HIV) positive.

Legally, as defined by the ADA, examples of physical or mental impairments include, but are not limited to, such contagious and noncontagious diseases and conditions as orthopedic, visual, speech, and hearing impairments; cerebral palsy; epilepsy; muscular dystrophy; multiple sclerosis; cancer; heart disease; diabetes; mental retardation; emotional illness; specific learning disabilities; HIV disease (whether symptomatic or asymptomatic); tuberculosis; drug addiction; and alcoholism.

The ADA essentially extends to State and local governments and the private sector the rights and protection already prohibiting discrimination on the basis of disability in the Federal Government and federally assisted programs, as currently mandated by the ABA of 1968 and the Rehabilitation Act of 1973, as amended through 1998, section 504.

The ADA formalized many of the policies and procedures that existed informally with respect to customer service and employment practices. The ADA also extends protection to people without disabilities who experience discrimination as a result of their association with a person with a disability. For example, if a restaurant refuses to seat a couple for dinner because the wife is accompanied by a guide dog, both husband and wife can file a charge of discrimination under the ADA.

To understand the ADA, it is important to remember several key points. First, the ADA is essentially civil rights legislation, in that it is designed to protect the rights of people with disabilities. The ADA prohibits discrimination on the basis of disability in the areas of employment, public services provided by State and local governments, access to public services, public accommodation, public services operated by private entities, transportation, and telecommunication.

Secondly, like section 504 of the Rehabilitation Act, the ADA covers both physical access and access to programs and services. In other words, not only must buildings be accessible, but the activities that take place within and outside those buildings must also be accessible. In the case of most service industries, such as outfitters, most of the services provided are “programmatic” in nature.

Third, the full implications of many areas affected by the ADA are still being developed, including outdoor recreation.

## **1. Americans with Disabilities Act, Titles I-V**

The ADA provides comprehensive civil rights protection in five areas for people with disabilities.

- a. **Title I – Employment.**—Employers shall not discriminate against a qualified individual with a disability because of the disability in regard to any aspect of employment (e.g., job application procedures, employee compensation, or job training).

The employment provision contained in Title I of the ADA applies to all employers of 15 or more workers. The number of workers refers to the total employment at a company, not at a site. Private employers with fewer than 15 workers are not covered by the ADA, although they may be subject to State law. Public employers (State and local governments) are covered under Title II of the ADA, regardless of the number of employees.

Individuals with disabilities are required to be qualified for the position being sought. An individual will be considered qualified if he or she is able to perform the essential functions of the position with or without reasonable accommodations to his or her disability.

A qualified individual with a disability is entitled to request reasonable accommodations from the employer to assist in successful job

performance. Reasonable accommodations include removal of barriers in an employee's workspace, such as rearranging furniture to provide access aisles; provision of auxiliary aids and services, such as an adapted computer; and modification of policies such as dress codes or flex-time and job restructuring.

Where an employer can demonstrate the requested accommodation creates an undue hardship, that is, it is a significantly difficult or expensive, it will not be required. Federal regulations issued by the Equal Employment Opportunity Commission (EEOC) describe the factors to be used for determination of whether an accommodation presents an undue hardship. Contact the EEOC for further ADA employment information. (See Appendix 2, Information Resources.)

- b. **Title II – Public Services.**—Title II contains the requirements that apply to all aspects of State and local government, including State and local area and recreation agencies. Generally, all public entities must comply with the requirements of Title I and II and ensure that facilities and services are accessible to individuals with disabilities.

It is possible for State or local government entities to be subject to the requirements of the ADA as well as section 504 of the Rehabilitation Act if they receive Federal financial assistance.

Entities under contract (concession contracts) or in partnership agreements with the Federal Government are subject to the requirements of ADA and section 504 of the Rehabilitation Act because they are considered federally assisted programs (43 CFR Part 17).

Each service program or activity must be operated so that, when viewed in its entirety, it is readily accessible to and usable by individuals with disabilities, unless it would result in a fundamental alteration in the nature of a service, program, or activity or in undue financial and administrative burdens.

Reclamation may require structural changes to existing buildings where other methods of achieving compliance are not effective. ADAAG and UFAS are used as the standards for approved new construction or alterations of buildings.

- c. **Title III – Public Accommodations.**—Title III regulates access to both physical facilities and to the services offered.

- (1) **Facilities.**—In terms of access to physical facilities, new construction designed for first occupancy after January 26, 1993, is required to meet the ADAAG. ADAAG provides technical design requirements to ensure that newly constructed facilities are

accessible to individuals with disabilities. Alterations undertaken after January 26, 1992, that affect the usability of the facility must also meet the ADAAG.

Existing facilities are not required to be retrofitted to provide full accessibility. However, physical barriers in existing places of public accommodation must be removed if removal is readily achievable (i.e., easily accomplishable without significant difficulty or expense). If not, alternative methods of providing services must be offered if those methods are readily achievable. Examples of readily achievable barrier removal include rearranging tables, installing grab bars in a restroom stall, adding signage to direct a person to an existing accessible entrance, demarcating men's or women's restrooms in Braille or raised letters, and providing a ramp over a few steps. When barrier removal is not readily achievable, alternative methods should be used as long as those alternative methods are readily achievable.

Accessibility requirements for transportation facilities and services are covered under both Title II and Title III. Entities such as hotels that also offer transportation must generally provide equivalent transportation service to individuals with disabilities. New fixed-route vehicles capable of carrying more than 16 passengers must be accessible.

- (2) **Services.**—Title III also has a significant impact in terms of how services are delivered to people and requires that such services be delivered in a nondiscriminatory manner. There are three important requirements for nondiscrimination in relation to services.
- (a) **Eligibility Criteria:** A service provider cannot impose criteria that may screen out individuals with disabilities. Legitimate safety concerns and standard policies that relate to all people are permitted. For example, if an individual is disturbing other patrons with noisy outbursts, management may ask the individual to leave, even if the outburst is related to mental illness; it is not discriminatory as long as the same standard of asking disruptive individuals to leave applies to all patrons.
  - (b) **Modifications in Policies:** This requires that changes be made to accommodate people with disabilities. Modifying business policy concerning pets to permit access by a person accompanied by a service animal is a good example.
  - (c) **Auxiliary Aids and Services:** This calls for effective communication with patrons who may have vision, hearing,

speech, or cognitive disabilities. The idea is to offer a means to exchange information. Examples include reading a menu to a patron who is visually impaired, providing volume control devices for public telephones, or providing note paper and pencils for patrons with hearing disabilities or who are deaf.

When providing an auxiliary aid or service is significantly difficult or expensive, it may be considered an undue burden and need not be provided. However, although the criteria for determining undue burden are identical to those for readily achievable barrier removal, there is a higher standard for providing auxiliary aids and services. This higher standard, in a sense, acknowledges that people with communication disabilities have been discriminated against with minimal legal recourse until the ADA. While architectural access has been a requirement for many years, increased communications access is expanded under ADA.

- d. **Title IV – Telecommunications.**—Title IV requires the establishment of interstate telecommunications relay services to provide national telephone communication access to individuals who have hearing or speech disabilities. A relay system enables an individual who has a hearing or speech disability to communicate over the telephone through the use of a communications assistant who is trained to convey conversations between an individual who uses a text telephone (such as a Telecommunications Device for the Deaf or TDD) and one who does not use such a device.

Any television public service announcement that is produced or funded by the Federal Government shall include closed captioning of the verbal content of the announcement.

- e. **Title V – Miscellaneous Provisions.**—In general, Title V depicts the ADA’s relationship to other laws, notes amendments to the Rehabilitation Act of 1973, and prohibits State immunity. Title V explains regulations by the Architectural and Transportation Barriers Compliance Board, implementation of each title, and insurance issues.

## 2. Regulations for Americans with Disabilities Act

- a. 49 CFR Part 37 and 38 Subpart (A, B, G, and H) – Transportation services for individuals with disabilities.
- b. 28 CFR Part 36 – Nondiscrimination on the basis of disability by public accommodations and in commercial facilities.
- c. 36 CFR Part 1191 – ADAAG for recreation facilities.

The ADAAG for recreation facilities regulations were issued in 2002 and amend the ADAAG by adding a new section for some newly constructed and altered recreation facilities that relate to both federally assisted and federally conducted areas and recreation programs.

The Architectural and Transportation Barriers Compliance Board (Access Board) is responsible for developing accessibility guidelines for newly constructed and altered buildings and facilities subject to the ADA.

### **3. Application of Americans with Disabilities Act to Area Facilities and Services**

- a. Four steps are involved to ensure that facilities and services are in compliance with the requirements of ADA:
  - (1) Understanding the intent of the law by thoroughly studying available information
  - (2) Evaluating the concessionaire's employment practices, customer service policies, and facilities to ensure they are accessible to and usable by people with disabilities
  - (3) Implementing necessary changes through staff training, removal of barriers, and other steps to ensure compliance
  - (4) Continuing attention to accessibility through planning alterations and new construction so that facilities conform to the ADAAG or UFAS, if applicable

Generally, the provisions of the ADA are enforced either through an administrative process or through civil suits in the courts. In the employment area, individuals are entitled to remedies such as back pay, job reinstatement, injunctive relief (a court order mandating compliance with the law), and punitive damages. In the area of access to goods and services, individuals alleging discrimination can file private civil suits with the courts or a complaint with the U.S. Department of Justice. In private civil suits, individuals are entitled to injunctive relief and attorney's fees may be awarded to the prevailing party. In cases brought by the Department of Justice, monetary damages can also be awarded to the aggrieved party and fines ranging up to \$50,000 for the first offense and \$100,000 for the second can be assessed.

- b. **State Law Requirements.**—Concession facility operators also need to be aware of the requirements that may exist under the laws of the State in which they operate relative to the rights of employees or customers with disabilities and the requirements for physical access to facilities.



Many States have issued laws or regulations in these areas, and the ADA specifically provides that, where State law is stricter, that is, where it affords more rights to persons with disabilities, it will prevail over the Federal law.

It is the operator's responsibility to coordinate the access regulations with other codes such as those for public health, safety, and accessibility. Thus, it is necessary to undertake an analysis of State civil rights and access laws in comparison to the provisions of the ADA to ensure that the more stringent of both standards is met where appropriate. Assistance in determining the applicable standards for the facility may be obtained through the Regional Disability and Business Technical Assistance Center. (See Appendix 2, Information Resources, B. Technical Assistance.)

- c. **Involving People with Disabilities.**—Involving people with disabilities who are familiar with accessibility issues is helpful in reviewing facilities and services and developing concession contract requirements. They can assist by suggesting effective and simple solutions and setting priorities. Their participation could show good faith in complying with the law.

## **D. THE ARCHITECTURAL BARRIERS ACT OF 1968, AS AMENDED THROUGH 1984 (42 U.S.C. SECTIONS 4151-4157)**

The ABA was approved August 12, 1968, to ensure that any building or facility constructed or renovated in whole or in part with Federal funds or on behalf of the Federal Government must be made accessible and usable by people with physical disabilities.

### **1. Regulation**

41 CFR 101 – 19.6 – Accommodations for the Physically Handicapped.

Construction, renovation, restoration, remodeling, or site development by Reclamation and any permittees or concessionaires must be accessible and usable independently by visitors and employees with physical disabilities. The Uniform Federal Accessibility Standards are used in implementing the ABA.

- a. **Background.**—The ABA was the first Federal legislation requiring certain Federal and federally funded building construction (either new or renovated) to be readily accessible to people with disabilities. The legislation designated the General Service Administration (GSA), Department of Defense (DOD), Department of Housing and Urban Development (HUD), and U.S. Postal Service as standard-setting agencies, requiring each of them to establish and enforce standards for design, construction, and alteration of particular types of buildings and facilities. Each of the four agencies issues standards in accordance with

its statutory authority (in the case of GSA, the CFR is 41 CFR 101-19.6). GSA prescribes standards for all buildings not covered by standards issued by the other three standard-setting agencies. The regulations covering Reclamation and concession facilities occur in the GSA standards.

Extensive guidelines, including diagrams, measurements, and other technical provisions, are found in the UFAS. The UFAS can be obtained at an Internet site provided in Appendix 1, Internet Sites that Provide Information on Access for People with Disabilities.

Questions or other technical information needs concerning the ADAAG or the UFAS should be directed to the Reclamation Accessibility Program Coordinator. (See Appendix 2, Information Resources.)

## **E. REHABILITATION ACT OF 1973, AS AMENDED THROUGH 1998 (TITLE V, 29 U.S.C. SECTION 793)**

The Rehabilitation Act is a comprehensive revision of the 1963 Vocational Rehabilitation Act, removing emphasis from “vocational” rehabilitation and focusing on total rehabilitation of all people with disabilities. Some features of this legislation impacting on area and recreation concerns include sections 502, 504, and 508.

Title V – Section 502 – Architectural and Transportation Barriers Compliance Board. The Architectural and Transportation Barriers Compliance Board was created with “power” to ensure compliance with the ABA “. . .to investigate and examine alternative approaches to. . .barriers confronting handicapped individuals, particularly with respect to public buildings and monuments, areas, and parklands, etc. . .” The ABA states that any building, facility, or site built after 1968 in whole or in part with Federal funds must be accessible. Anyone may file a complaint with the Access Board regarding inaccessible buildings or facilities.

Section 504 of the Rehabilitation Act has a significant impact on the planning of services, benefits, and programs conducted in Federal recreation areas and those areas receiving Federal financial assistance. Section 504 states:

Section 504. (a) No otherwise qualified individual with a disability in the United States, as defined in section 7(20), shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of or be subject to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service.

While the ABA demands physical access in buildings and facilities, section 504 requires barrier free programming. Barrier free programming includes making the program available in alternative locations when the site itself cannot be made physically accessible. Additionally, section 504 also addresses access to programs for people with visual, hearing, and learning impairments.

People with disabilities may file complaints regarding inaccessible programs with the Department of the Interior, Office for Equal Opportunity.

Section 508 of the Rehabilitation Act has a direct impact on the electronic and information technology employed by recreation providers (providers) on public lands. In 1998, the Rehabilitation Act Amendments of 1998 were signed into law. The law strengthens section 508 and adds new requirements for access to electronic and information technology. The law applies when providers develop, procure, maintain, or use electronic and information technology. They must ensure that this technology is accessible to employees and members of the public with disabilities to the extent that it does not pose an “undue burden.” Section 508 speaks to various means for disseminating information, including computers, software, and electronic office equipment. It applies to, but is not solely focused on, pages on the Internet or the World Wide Web.

Any individual with a disability may file a complaint with the Federal department or agency alleged to be in noncompliance.

The Rehabilitation Act Amendments of 1992 eliminate the use of the word “handicapped” when referring to people with disabilities. “Handicapped” remains in use only when citing the original regulations.

## **1. Regulation**

Regulations for the Rehabilitation Act are in 43 CFR Part 17—Nondiscrimination on the Basis of Handicap—Subpart B. These regulations govern federally assisted programs. Nondiscrimination obligations for federally conducted programs will be identical to those established for programs receiving Federal financial assistance.

Section 17.203 Discrimination Prohibited, states:

*General.* – No qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance.

Section 17.217 Existing Facilities, addresses program accessibility. It says a recipient shall operate each program or activity so that the program or activity, when viewed in its entirety, is readily accessible to and usable by people with disabilities.

Section 17.270 Recreation Programs applies to recreation programs that receive or benefit from Federal financial assistance and to recipients that operate or that receive or benefit from Federal financial assistance for the operation of such programs or activities.

## APPENDIX 1

### INTERNET SITES THAT PROVIDE INFORMATION ON ACCESS FOR PEOPLE WITH DISABILITIES

The National Center on Accessibility is a program of Indiana University's Department of Recreation and Park Administration and is funded in part by the U.S. Congress through the National Park Service. The following information is subject to change. Updated information will be available at all Reclamation offices. <<http://www.indiana.edu/~nca>>

National Center on Accessibility, (317) 349-9240, voice/teletypewriter (TTY) (800)-424-1877, FAX (765) 342-6658.

U.S. Department of Justice, The Americans with Disabilities Act (ADA), Homepage  
<<http://www.usdoj.gov/crt/ada/adahom1.htm>>

The Americans with Disabilities Act Statute (full text of the ADA)  
<<http://www.usdoj.gov/crt/ada/statute.html>>

The ADA Information Center Online Homepage  
<<http://adabbs.hr.state.ks.us/dc>>

ADA Compliance Guide  
<<http://www.thompson.com/tpg/person/able/able.html>>

U.S. Access Board, (800) 872-2253 (voice/TTY)  
<<http://www.access-board.gov>>

Uniform Federal Accessibility Standards  
<<http://www.access-board.gov/ufas/ufas.htm>>

Job Accommodation Network, (800) 526-7234 (voice/TTY)  
<<http://janweb.icdi.wvu.edu/>>

Code of Federal Regulations  
<<http://www.access.gpo.gov/nara/cfr>>

## APPENDIX 2

### INFORMATION RESOURCES

#### A. FEDERAL AGENCIES

The addresses and phone numbers provided below are subject to change. As necessary, Reclamation can provide concessionaires' current information.

- Bureau of Reclamation Accessibility Program  
Equal Opportunity Compliance Program Office  
1150 North Curtis Road, Suite 100  
Boise ID 83706-1234
- U.S. Department of Justice  
Office of the Americans with Disabilities Act  
PO Box 66738  
Washington DC 20035-9998  
(202) 514-0301 Voice  
(202) 514-0383 TDD

The U.S. Architectural and Transportation Barriers Compliance Board is responsible for developing and enforcing ADA public accommodations as well as State and local government regulations. Numbers listed are hotlines for information on the ADA and the regulatory process. Free publications are available.

- U.S. Architectural and Transportation Barriers Compliance Board  
1331 F Street, NW, Suite 1000  
Washington DC 20004-1111  
(800) USA-ABLE Voice/TDD

The Equal Employment Opportunity Commission is responsible for developing and enforcing accessibility guidelines and section 508. It produces and distributes a variety of publications. It provides technical assistance and information on the architectural requirements of the ADA and other access-related legislation. Free publications are available.

- Equal Employment Opportunity Commission  
1801 L Street NW  
Washington DC 20507  
(800) 669-EEOC Voice  
(800) 800-3302 TDD

The Internal Revenue Service (IRS) is responsible for developing and enforcing ADA employment regulations. The IRS investigates charges of employment discrimination and works to resolve problems through mediation. It provides referrals to local Equal Employment Opportunity Commission offices and information on discrimination laws. Free publications are available.

The IRS offers three tax incentives that can be used to help with ADA implementation. Concessionaires should contact the local IRS office for eligibility requirements concerning each of the following:

1. Disability Access Tax Credit (Title 26, Internal Revenue Code, section 44). A 50 percent tax credit, up to but not exceeding \$5,000, is available to eligible small businesses. The credit can cover access services as well as barrier removal but may not be applied to new construction.
2. Tax Deduction for Removal of Architectural Barriers (Title 26, Internal Revenue Code, section 190). An annual tax deduction of \$15,000 is available to any size business to make facilities more accessible. Federal standards must be followed.
3. Targeted Jobs Tax Credit (Title 26, Internal Revenue Code, section 51). A tax credit is available for employers who use State vocational programs or the Veterans Administration to hire workers with disabilities. The tax credit equals 40 percent of the first \$6,000 earned by a first-year employee who has a disability.

For additional information, contact:

- Office of the Chief Counsel  
PO Box 7604  
Ben Franklin Station  
Washington DC 20044  
(202) 566-3292 (Voice only)

## **B. TECHNICAL ASSISTANCE**

- National Center for Accessibility  
National Park Service  
5040 State Road 67 North  
Martinsville IN 46151  
(317) 349-9240  
FAX (317) 342-6658  
voice/TTY (800)-424-1877  
<<http://www.indiana.edu/~nca>>

The National Center on Accessibility is a program of Indiana University's Department of Recreation and Park Administration and is funded, in part, by the U.S. Congress through the National Park Service. The National Center on Accessibility focuses primarily on

accessibility as it relates to parks, recreation, and tourism industries. Its major objectives include conducting research, providing technical assistance, developing resources and training materials, and conducting educational programs.

Ten federally supported Disability and Business Technical Assistance Centers, funded by the National Institute on Disability and Rehabilitation Research, have been established throughout the United States. These centers provide information and technical assistance to businesses and agencies with responsibilities under the ADA. All the centers can be reached by calling the following toll free number: (800) 949-4232 Voice/TDD.

Rocky Mountain (Colorado, Montana, North Dakota, South Dakota, Utah,  
Wyoming)  
(800) 735-4232 Voice/TDD

Northwest (Alaska, Idaho, Oregon, Washington)  
(206) 438-3168 Voice  
(206) 438-3167 TDD

Southwest (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)  
(713) 520-0232  
(713) 520-5136 TDD

Pacific (Arizona, California, Hawaii, Nevada, Pacific Basin)  
(800) 7-ASK ADA Voice/TDD

## **C. PUBLICATIONS**

The ADA requires effective communication with all constituents, including providing help to customers if they request assistance. Internet sites are a form of communication.

Recreation Facility Design Guidelines, by Reclamation, September 2002

This publication can be obtained by contacting Reclamation's Technical Service Center, Structural and Architectural Group, D-8120, PO Box 25007, Denver CO 80225.

Interpretation for Disabled Visitors in the National Park System, by Special Programs and Populations Branch, National Park Service, David C. Park, Chief, Wendy M. Ross, and W. Kay Ellis

This publication provides suggestions on how interpretation can be extended to park visitors with disabilities.

Universal Web Design, by Crystal Waters, 1997. ISBN 1-56205-738-3

This publication uses the concept of "universal design" in regard to making technology, products, and places accessible to people with visual, hearing, cognitive, and physical impairments. For example, depending on the person's disability, reasonable

accommodations for Internet site design could mean creating text versions of sites or enhancing a site for easier screen-reader accessibility (for those with visual impairments); improving navigational cues or making them easier to click on (for cognitive or physical impairments); or providing transcripts of sound and movie files (for those with hearing impairments).

In addition, several publications are available on the access board Internet site <<http://www.access.board.gov>>



## APPENDIX 3

### AMERICANS WITH DISABILITIES ACT ACCESSIBILITY GUIDELINES

The Access Board is responsible for developing accessibility guidelines for newly constructed and altered buildings and facilities subject to the ADA. The Access Board initially issued ADAAG (36 CFR Part 1191) in 1991. The ADA requires the Department of Justice and the Department of Transportation to publish regulations that include design standards for newly constructed and altered buildings and facilities that are consistent with ADAAG. (See U.S. Access Board Internet site at <<http://www.access-board.gov>> for ADAAG.)

The Secretary of the Interior issued a directive for Interior agencies to follow ADAAG when ADAAG is more stringent than UFAS. Equal Opportunity Directive No. 93-07, Disability Rights Accessibility Standards, from the Director, Office for Equal Opportunity, is to advise all bureaus and offices of the Department of the Interior to adhere to the requirements of section 504 of the Rehabilitation Act of 1973, as amended, and Departmental regulation at 43 CFR 17, Subpart E, in their federally conducted programs. When the process of revising UFAS is completed, the Department of the Interior's federally conducted section 504 regulation will be amended to incorporate the new ADAAG standards. Although all Federal agencies will continue to be legally required to comply only with UFAS until the new ADAAG standards are officially in place, it shall be Interior's policy to follow ADAAG whenever it provides equal or greater accessibility than UFAS. From a legal perspective, Interior's section 504 regulation does not prohibit implementation of such a policy because the regulation does not require compliance with UFAS, but rather, the regulation simply states that, during new construction and alteration of facilities, compliance with the Access Board's accessibility requirements is deemed to be in compliance with section 504.

Some recreation accessibility guidelines were published in September 2002 to supplement the existing guidelines for buildings and facilities. Rulemaking now exists for various recreation facilities including amusement rides, boating facilities, fishing piers and platforms, golf courses, miniature golf courses, sports facilities, swimming and wading pools, and spas. Additional guidelines will be provided in the future for trails, picnic areas, camping facilities, beach access routes, and outdoor recreation access routes.

## APPENDIX 4

### UNIFORM FEDERAL ACCESSIBILITY STANDARDS

The Uniform Federal Accessibility Standards present uniform standards for the design, construction, and alteration of buildings so that people with physical disabilities will have ready access to and use of buildings in accordance with the ABA of 1998, 42 U.S.C. 4151-4157, as amended.

UFAS can be obtained from the Access Board Internet site at <<http://www.access-board.gov>>.

The document embodies an agreement to minimize the differences between the standards previously used by four agencies (GSA, HUD, DOD, and the U.S. Postal Service) that are authorized to issue standards under sections 2, 3, 4, and 4a, respectively, of the ABA, and between those standards and the access standards recommended for facilities that are not federally funded or constructed.

The document sets standards for facility accessibility by people with physical disabilities for Federal and federally funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the ABA.

The technical provisions of these standards are the same as those of the American National Standard Institute's document A117.1 1980, except as noted in the text of UFAS.

## **APPENDIX 5**

### **SECTION 508 ACCESSIBILITY STANDARDS 36 CFR PART 1194**

The Architectural and Transportation Barriers Compliance Board (Access Board) issued final accessibility standards for electronic and information technology covered by section 508 of the Rehabilitation Act Amendments of 1998 on February 20, 2001. These standards provide the technical and functional performance criteria necessary for technology to comply with section 508. (See U.S. Access Board Internet site at <<http://www.access-board.gov>> for the section 508 Accessibility Standards.)

The document sets standards for electronic and information technology accessibility by people with disabilities for Federal and federally funded facilities. These standards are to be applied during the development, procurement, maintenance, or use of electronic and information technology.

## APPENDIX 6

### BUREAU OF RECLAMATION UNIVERSAL DESIGN PRINCIPLES

Reclamation's goal is to provide accessibility through "universal design" for all visitors and employees to facilities and programs. Subtle solutions that meet the requirements of all people should be used when possible, instead of solutions that appear to be obvious accommodations to a specific physical need.

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design. Universal design is the most effective practice for ensuring access for people with disabilities.

Universal design does not work to accommodate just a certain percentage of people as required by law. Universal design seeks better solutions to universal needs for access to sites, buildings and facilities, programs, and interpretation. Often, this can be more cost effective than providing solutions to accommodate specific needs. Improving experiences and enjoyment benefits everyone—from young children to the elderly and those with limited physical, mental, or emotional abilities.

There are seven principles of universal design, as follows:

1. Equitable use for any group of people
2. Flexibility, choice, and adaptability to user's needs and abilities
3. Simple and intuitive to use in spite of user's experience level, language skills, knowledge, or concentration level
4. Perceptible information regardless of user's memory ability or ambient conditions
5. High tolerance for error: minimal hazards and adverse consequences or accidental or unintended consequences
6. Low physical effort required: efficient and comfortable to use with minimum of fatigue
7. Proper size and space for approach, manipulation, and use regardless of the user's body size, posture, or mobility

## APPENDIX 7

### INTERACTING WITH PEOPLE WHO HAVE DISABILITIES

#### A. WHAT DO I SAY TO PEOPLE WITH DISABILITIES? HOW DO I ACT?

People with disabilities are PEOPLE FIRST.

Sometimes people without disabilities feel awkward and do not know what to say or how to act around a person with a disability. The disability should be a secondary consideration. People with disabilities have goals, dreams, wants, and desires similar to people without disabilities. The need for love, appreciation, fun, respect, and the opportunity to be productive and valued are the same for people with and without disabilities.

It is important to use language and actions that avoid stereotyping people with disabilities in inappropriate ways.

#### B. GENERAL GUIDELINES

The following guidelines are designed to increase your comfort level when speaking and interacting with people who have disabilities. The best thing to remember is that if you do not know what to do or say, ASK. Allow the person with the disability to assist or direct you.

- When talking with someone who has a disability, speak directly to that person.
- Treat adults as adults. Call a person by his or her first name only when you are extending this familiarity to everyone present.
- Relax. Do not be embarrassed if you happen to use accepted, common expressions, such as “see you later” or “got to be running along,” that seem to relate to a person’s disability.
- People with disabilities are entitled to the courtesies that you extend to anyone. This includes their personal privacy. If you do not generally ask people about their complexions or their incomes, then do not ask people with disabilities about theirs.
- If you do not make a habit of leaning or hanging on to people you are with, then do not lean or hang on someone’s wheelchair. Wheelchairs are an extension of personal space for people who use them.

- You may offer assistance to a person with a disability, but wait until your offer is accepted before you help, and listen to any instructions the person may want to give.
- Be considerate of the extra time it might take for a person with a disability to get things done or said. Let the person set the pace in walking and talking.
- When planning events involving people with disabilities, consider their needs ahead of time.
- Do not use terms and phrases that imply how a person feels about his or her disability. Do not define someone by his or her disability. Use terms that are up to date and not derogatory.
- Commit yourself to communicating effectively, courteously, and appropriately. Help break down the barriers. Seek to understand and educate yourself and others about disabilities.

## **C. PEOPLE FIRST LANGUAGE**

Just as any tool can be powerful in a positive or negative way, language can either work to your advantage or it can result in negative effects. Without being aware of what is current and appropriate language, you may inadvertently offend a person or convey a message that you did not intend.

Remember that a person with a disability is a person first. Do not refer to a person by a disability (e.g., “an epileptic” or “the deaf teacher”). Instead use “a person who has epilepsy” or “the teacher who is deaf.” First and foremost, they are people; secondly, they may have a disability.

People with disabilities prefer to be called just that, people with disabilities. Mention a person’s disability only if it is relevant to the issue. If it is not relevant, why mention it? Use common sense, but let common sense be guided by an awareness of sensitive terminology.

Do not be intimidated by terminology. Simple terms are fine; but remember, simple does not mean childish. Treat adults like adults.

People with disabilities are an integral part of the general public. Be careful not to use language like “we” or “they” that suggests segregation. Avoid grouping all individuals with disabilities together. For example, “the disabled,” “the deaf,” or “the blind.”

People with disabilities are often portrayed in two extremes; either they are portrayed as brave, courageous, inspirational, or superhuman beings that have defeated a terrible fate against all odds or they are portrayed as objects to be pitied, in need of sympathy, burdened, suffering, unfortunate, pathetic, and needing to be treated with special

attention. These terms promote inaccurate and unnecessary stereotypes. Use of these terms is discouraged. Remember that people with disabilities are simply people who happen to have disabilities.

Avoid trendy terminology like “challenged,” “handi-capable,” “differently abled,” or “physically challenged.” These terms are mostly invented and used by people without disabilities. Some people with disabilities choose these terms, but most feel that they are condescending and do not prefer them. Most people with disabilities prefer to be called just that—people with disabilities.

It is important to understand the definitions of impairment, disability, and handicap. You may hear these terms used interchangeably, but each has a distinctly different meaning.

**Impairment:** A deviation from normal development, structure, or function. Examples where impairments can occur are hearing (nerve damage), vision (glaucoma), and mobility (damaged vertebrae causing paralysis).

**Disability:** Refers to functional limitations. Examples of disabilities are 75 percent loss of hearing, tunnel vision, or paralysis from the neck down.

**Handicap:** The origin of “handicapped” comes from the old English concept of “cap in hand” or “cup in hand,” which refers to begging. At one time, the only way for people with disabilities to make a living was to beg. Having a disability and begging became associated with each other. So too, did the idea of having a disability and being of a lower class. It was not that rich people did not have disabilities; the wealthy, however, could afford to hide family members with disabilities in institutions. Thus, handicapped has evolved to an offensive term. Today, the term handicap is limited to physical or attitudinal constraint imposed upon a person regardless of whether that person has a disability. Examples of handicaps would be a place of service not having a TTY so that a person with a hearing loss could not directly communicate by phone or a person with tunnel vision could not obtain a drivers license. A handicap for a person with paralysis who uses a wheelchair would be when that person could not get into a building because the only entrance has stairs.

Terminology is continually evolving. Staying current is important, not only to show that you are “politically correct,” but also to effectively communicate on the subject of disability. More importantly, appropriate terminology shows respect for the person with whom you are communicating and interacting.

USE . . .	AVOID . . .
Person with a disability	Cripple, handicap, invalid
Person who has... Person with	Victim of, stricken with, afflicted with
Person who uses a wheelchair	Confined to a wheelchair bound or restricted to a wheelchair
Person without disabilities or nondisabled	Normal (infers that people with disabilities are abnormal)
Person who is deaf	Deaf, mute, deaf and dumb
Person with mental illness	Crazy, insane, deranged
Seizures	Fits, spastic
Person with mental retardation	Retard, imbecile, moron
Person with a learning disability	Slow
Congenital disability or a disability that has existed from birth	Birth defect
Person who has Downs Syndrome	Mongoloid



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(Area Name)

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# CHAPTER 4 – ASSIGNMENT, ACCEPTANCE, AND APPROVAL OF SALE OR TRANSFER

## INTRODUCTION

In the event of a proposed transfer of ownership, the parties interested in assuming the concession contract must undergo the standard bid review process. The Bureau of Reclamation (Reclamation) must convene a review panel to ensure that the potential concessionaire meets all of the principal factors and standards established in the original prospectus. **[NOTE: There should be NO EXCEPTIONS to this restriction.]**

The following legal documents serve to establish Reclamation-wide consistency for completing a transfer or sale of a business and, hence, the transfer of authority, title, and interest in the concession contract from an existing concessionaire (the seller) to the subsequent concessionaire (the buyer) during the remaining term of the concession contract.

The legal documents outlined in these guidelines must accompany any sale or transfer of ownership, as appropriate. A transfer or sale will necessitate the use of the “Assignment, Acceptance, and Approval Document” and, when the sale of corporate stock is involved, will also require the use of the “Stock Sale, Acceptance, and Approval Document.” When an encumbrance is involved, a sale or transfer will also require the use of the “Consent and Approval Document.” All of these documents are briefly described below.

### A. ASSIGNMENT, ACCEPTANCE, AND APPROVAL DOCUMENT

#### 1. Assignment

When a business is sold, the seller must “assign” its business and rights, title, and interest in the existing concession contract to the buyer, subject to Reclamation approval. This is accomplished by the signing and notarizing of the “Assignment” document, which must be accompanied by the second part of the transaction, the buyer’s “Acceptance,” as well as Reclamation’s “Approval Document.”

#### 2. Acceptance

When a business is sold, the buyer must “accept” the terms and conditions of the existing concession contract, subject to Reclamation approval. The “Acceptance” document itself has its own set of conditions, which the buyer must agree to by signing and notarizing.

### **3. Approval Document**

Reclamation's regional director or designated official will sign the "Approval Document" on behalf of the Secretary of the Interior and, by doing so, approves of the "Assignment, Acceptance, and Approval Document." The "Approval Document" constitutes the third part of the "Assignment, Acceptance, and Approval Document." Note that this is the same "Approval Document" that will be used with both the "Stock Sale, Acceptance, and Approval Document" and the "Consent and Approval Document" below. The "Approval Document" may be found on the last page of these documents.

## **B. APPENDIX 1: STOCK SALE, ACCEPTANCE, AND APPROVAL DOCUMENT**

### **1. Stock Sale**

This document concerns corporations and is subject to Reclamation approval. If the corporation is selling its stock in the business and, hence, its right, title, and interest in the concession contract, this document must be completed by the seller. The "Stock Sale" must be signed and notarized and accompanied by the second part of the transaction, the "Acceptance" document, as well as Reclamation's "Approval Document."

### **2. Acceptance**

The "Acceptance" document also concerns the sale of stock, but must be signed by both the buyer and the seller, subject to approval by Reclamation. In this document, the buyer and seller agree to the conditions placed on them by Reclamation to submit an audited balance sheet, transfer assets within 60 days, and provide a basis for the stock valuation, among many other conditions.

### **3. Approval Document**

Reclamation's regional director or designated official will sign the "Approval Document" on behalf of the Secretary of the Interior and, by doing so, will approve of the "Stock Sale, Acceptance, and Approval Document." The "Approval Document" constitutes the third part of the "Stock Sale and Acceptance." Note that this is the same "Approval Document" that will be used with both the "Assignment and Acceptance." See Appendix B, Consent and Approval Document (Encumbrance).

## **C. APPENDIX 2: CONSENT AND APPROVAL DOCUMENT**

### **1. Consent and Approval (Encumbrance)**

The document ensures the lender that Reclamation approves the seller's encumbrance. In the "Consent and Approval Document," the seller seeks the

consent and approval of the Secretary of the Interior to encumber, pledge, mortgage, or otherwise provide as a security interest in any rights under the concession contract, including fixed assets and personal property. By signing and notarizing this document, the seller agrees to all of Reclamation's conditions regarding the encumbrance.

## **2. Approval Document**

Reclamation's regional director or designated official will sign the "Approval Document" on behalf of the Secretary of the Interior and, by doing so, approve the "Consent and Approval" document. The "Approval Document" constitutes the second part of the "Consent and Approval Document." This is the same "Approval Document" that will be used with both the "Assignment, Acceptance, and Approval Document" and the "Stock Sale, Acceptance, and Approval Document," mentioned earlier.

# ASSIGNMENT

For value received, Business name (“Seller”), a Type of Business,  
e.g., Corporation, Individual, Partnership, Company organized and existing under the laws  
of the State of Name does hereby assign, and convey to Business  
Name (“Buyer”), a Type of Business, e.g., Corporation, Individual, Partnership,  
Company organized and existing under the laws of the State of Name and  
subject to the approval of the Bureau of Reclamation (Reclamation), all its rights, title, and  
interest in and under concession contract No. \_\_\_\_\_, which was entered into with  
Reclamation on Month Day, Year, granting the right to operate a concession for the public  
at Area of Operation Name.

Executed in triplicate at Name of City, State, Date day of Month, Year.

## **Seller:**

\_\_\_\_\_  
(Business Name)

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Attest (Notary Public):**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ACCEPTANCE

The undersigned, Business Name, the Buyer in the foregoing Assignment, hereby accepts the same and agrees, subject to the approval of the Bureau of Reclamation (Reclamation), to carry out fully and perform all of the obligations imposed upon said, Business Name, the Seller, by the terms and provisions of the concession contract No. \_\_\_\_\_ . The undersigned further understands and agrees to the following conditions:

1. Within 60 days of the date of approval of the Assignment, an audited balance sheet, as of the effective date of the Assignment, on which an unqualified opinion has been expressed by an independent licensed or Certified Public Accountant, will be submitted for the approval of Reclamation. This balance sheet must be accompanied by a "Schedule of Interest." The schedule must include a description of the asset, the date the asset was acquired, the depreciation method and life, the cost, the accumulated depreciation, and the net book value.
2. Fixed assets acquired by the Buyer from the Seller cannot be recorded on the books of the Buyer at a value greater than that carried on the books of the Seller at the time of this transfer.
3. To assume all the obligations to Reclamation incurred by the Seller before the effective date of the Assignment if Seller fails to pay or perform said obligations, including, but not limited to, franchise fees and utilities.
4. Within 60 days after approval of the Sale or Transfer, a copy of an itemized Bill of Sale covering all transferred assets will be provided to Reclamation.
5. The purchase price or any debt to be incurred as the result of the Sale or Transfer will not be used as justification for:
  - a. An increase in rates charged to the public.
  - b. A waiver, reduction, or denial of proposed future increases of franchise fees.
  - c. Any claim that the terms of the contract do not provide a reasonable opportunity for a profit and that a longer-term agreement is required or mandatory.
6. Buyer must indemnify, defend, and hold Reclamation and its assigns harmless from any and all losses and damages by reason of suits, proceedings, demands, claims, actions, or causes of actions or judgments, including costs or expenses, attorney fees, and related expenses arising from this transaction.

7. Any claims, disputes, or controversies between Buyer and Seller that may arise from this transaction shall not interfere with the Buyers satisfactory performance of the terms and conditions as outlined in the concession contract.
8. Buyer further acknowledges, agrees, and accepts the fact that the Buyer might not realize a reasonable opportunity for profit over the remaining life of the contract and therefore releases Reclamation and its assigns of any obligations as a result of the proposed  Sale or Transfer .

Reclamation advises the Buyer of, and the Buyer agrees to, acknowledges, and accepts, the following additional conditions:

1. That Reclamation considers this  Sale or Transfer  as encompassing only the present assets of the Seller and recognizes no rights beyond expiration of the contract, which expires on  Month Date ,  Year ; and
2. Approval of this  Sale or Transfer  by Reclamation in no manner implies the existence of or grants any preferential right to the award of any subsequent concession contract, and Buyer waives any right to assert any preferential right or other benefit based on approval of this  Sale or Transfer  by Reclamation.
3. In the event that the Buyer is not awarded a subsequent concession contract, neither Reclamation nor the successor concessionaire will bear any liability for any debt incurred by the Buyer in connection with this Assignment unless improvements are to stay.
4. No compensation, particularly with regard to the value placed on intangible assets as a result of this transfer, shall be due the Buyer or the holder of any collateral of the Buyer should the Buyer not be awarded any future contract.
5. The interest of the lender in any assets used as collateral shall be subordinate to the first lien of the Government (the buyer must make this clear to the lender as part of the loan process).
6. Buyer will not use this approval in any form or manner, including, but not limited to, any litigation, proceeding or hearing, involving Reclamation or the United States of America, as evidence of any fact or matter other than that Reclamation approved the assignment.
7. The approval of this assignment by Reclamation shall not be construed as amending, altering, or waiving in any manner, any terms and conditions of the contract.

Executed in triplicate at  Name of City ,  State ,  Date , day of  Month ,  Year .

**Buyer:**

\_\_\_\_\_ *(Business Name)*

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attest (Notary Public):**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\*A copy of this acceptance document is to be provided by the buyer to any applicable lender.



## APPROVAL

The foregoing Consent and Approval, Stock Sale, Acceptance, and Approval Document and Assignment and Acceptance Approval Document are hereby approved, by the Secretary of the Interior, acting through Reclamation, effective as of the day and year written below, subject to agreement to and satisfactory performance by the Seller of the conditions set forth in the Consent and Approval Document dated \_\_\_\_\_.

### **Bureau of Reclamation**

By: \_\_\_\_\_  
*Regional Director*

Date: \_\_\_\_\_

## APPENDIX A

### STOCK SALE, ACCEPTANCE, AND APPROVAL DOCUMENT

#### STOCK SALE

For value received,           *Business Name*          , a corporation organized and existing under the laws of the State of \_\_\_\_\_, (hereinafter referred to as the “Seller”), hereby sells, subject to the approval of the Secretary of the Interior acting through the Bureau of Reclamation (Reclamation), to           *Business Name*          , a corporation organized and existing under the laws of the State of \_\_\_\_\_, (hereinafter referred to as the “Buyer”), all its right, title, and interest in the stock of the Seller which holds Concession Contract No. \_\_\_\_\_, entered into between Reclamation and the Seller on \_\_\_\_\_ *Date of Authorization* (hereinafter referred to as the “Contract”), granting the right to operate a concession at           *Area of Operation Name*          .

#### Corporation:

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### Attest (Notary Public):

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ACCEPTANCE

The undersigned, the named Buyer and Seller in the Stock Sale, Acceptance, and Approval Document dated \_\_\_\_\_, hereby accepts the same and agrees, subject to the approval of Reclamation, to carry out fully and to perform all of the obligations imposed upon the Seller by the terms and provisions of the contract from and after the date of approval by Reclamation. The undersigned Buyer and Seller further understand and agree to the following conditions of Reclamation's approval of this Stock Sale:

1. Within 60 days of the date of approval of the Stock Sale, an audited balance sheet of the Seller, on which an unqualified opinion has been expressed by an independent licensed or Certified Public Accountant, will be submitted for the approval of Reclamation. A "Schedule of Assets" in which the Seller claims interest in fixed assets must accompany this balance sheet. The schedule must include the description of the asset, the date initially acquired, the depreciation method and life, the cost, the accumulated depreciation, and the net book value.

If a company buys a concession operation on Government land from an existing concessionaire who also owns and operates a business not on Government land, Reclamation will require the company to form a subsidiary company for the operations not on Government land. This will allow tracking of adequate financial information for the Government land operation.

2. Within 60 days of the date of approval of the Stock Sale, Seller will transfer all the assets of the Seller that are not concession related to a wholly-owned subsidiary of the Seller. That subsidiary will be solely responsible for all operations not concession related now being conducted by the Seller. Within 60 days of the date of approval of the Stock Sale, the Seller will submit balance sheets of the assets of the Seller and the subsidiary for the approval of Reclamation. A "Schedule of Assets" describing each asset, the date initially acquired, the depreciation method and life, the cost, the accumulated depreciation, and the net book value must accompany these balance sheets. All future annual financial reports of the Seller shall reflect only the income and expenses of the Seller with respect to its Reclamation operations and shall not in any manner reflect income and expenses of its subsidiary. The Seller shall provide to Reclamation at any time complete financial information as to the income and expenses of the subsidiary and shall provide to Reclamation access to the subsidiary's books and records at any time.
3. Assets of the Seller must be recorded at an amount that will not exceed the fair value as defined in the contract or, if the contract does not define fair value for a particular class of assets, an amount that will not exceed the fair value of the asset. The Seller must provide, in detail, the basis for valuation. Reclamation may require appraisals.

4. The purchase price or any debt to be incurred in connection with the Stock Sale will not be used at any time by the Buyer or any related party as justification for:
  - a. An increase in rates charged to the public.
  - b. A waiver or reduction of fees or other contract requirements.
  - c. Any claim that the terms of the contract do not provide a reasonable opportunity for profit.
5. The Buyer, but not the Seller, has incurred debt as a result of this Stock Sale. Reclamation, when developing the requirements of any subsequent concession contract for this operation, will not take into account the purchase price or any outstanding debt resulting from this Stock Sale. Fees to be charged by the Buyer and other contract obligations under the stock sale of the existing concession contract will be established based on the probable value to the Seller. The Buyer and Seller assume all risk in this connection.
6. In the event that the Buyer is not awarded a subsequent concession contract, neither Reclamation nor the successor Seller will bear any liability for any debt incurred by the Buyer in connection with this Stock Sale.
7. The Buyer and the Seller represent that they have not been advised by Reclamation or any official of the United States Government that Reclamation considers the terms of this transaction to be reasonable or that the Buyer or the Seller may expect to earn a profit under the terms of the contract and this transaction.
8. The contract expires by its terms on     Date    . The Buyer and Seller agree that approval of this Stock Sale by Reclamation in no manner implies that the United States considers that the Seller or the Buyer has a legal right of any nature to a renewal of the contract or award of a new contract replacing the contract upon its expiration. Further, the agreement by Buyer and Seller to this Stock Sale Acceptance: (1) does not change their legal rights for a contract renewal and or award of the new contract and (2) does not change Reclamation's policy to not renew the contract term unless the existing contract specifically provides for contract renewal or awarding a new contract without competition.
9. Buyer and Seller will not use this approval in any form or manner, including, but not limited to, any litigation, proceeding, or hearing involving Reclamation or the United States of America, as evidence of any fact or matter other than that Reclamation approved the Stock Sale.
10. Notwithstanding any representations made by the Buyer and Seller to Reclamation or to other persons as to the value of the contract or fixed assets, if any, granted by such contract, or as to any other matters related to this transaction, Reclamation, by approving this Stock Sale, expressly is not agreeing to, approving, or concurring in any such representations, including but not limited to

representations made by Seller and Buyer that the value of the assets equals the values set forth in the Buyer's request for approval, and to representations to be made by Seller and/or Buyer in any balance sheet or other submission to Reclamation in implementation of this transaction. Reclamation reserves the right to challenge any representations made by the Buyer and/or Seller in any future matters concerning the contract and Reclamation, including, but not limited to, the value of any fixed asset granted by the contract, if any.

- 11. That, to the extent that the Seller may have been allocated user days or other access privileges to the recreation area for the purposes of the contract, such allocations are subject to change or elimination by Reclamation and that the contract does not grant such allocations as a matter of right to the Seller or any subsequent Seller.
- 12. The approval of this Stock Sale by Reclamation shall not be construed, in any manner, as amending, altering, or waiving any terms and conditions of the contract.
- 13. The approval of this Stock Sale by Reclamation does not in and of itself constitute approval of any financial transaction or encumbrance associated with this Stock Sale. If such financial transaction or encumbrance must by law be approved by Reclamation, approval of any such associated financial transaction or encumbrance, if granted, will be provided in a separate document.

**Seller:**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Buyer:**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attest (Notary Public):**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



subsequent concession contract will be established based on the probable value to the concessionaire of the authorization as determined by Reclamation. The concessionaire assumes all risk in this connection.

4. In the event that the existing concessionaire is not awarded a subsequent concession contract, neither Reclamation nor the successor concessionaire will bear any liability for any debt incurred by the concessionaire in connection with this encumbrance.
5. Approval of this encumbrance by Reclamation in no manner implies the existence of or grants any preferential right to the award of any subsequent concession contract, and concessionaire waives any right to assert any preferential right or other benefit based on approval of this encumbrance by Reclamation.
6. Concessionaire will not use this approval in any form or manner, including, but not limited to, any litigation, proceeding or hearing involving Reclamation or the United States of America as evidence of any fact or matter other than that Reclamation approved the encumbrance.
7. Notwithstanding any representations made by the seller to Reclamation or the Lender or other persons as to the value of the contract or fixed assets, if any, or as to any other matters related to this transaction, Reclamation, by approving this Encumbrance, expressly is not agreeing to, approving, or concurring in any such representations. Reclamation reserves the right to challenge any representations made by the Seller in any future matters concerning the contract and Reclamation, including, but not limited to, the value of any fixed assets granted by the contract, if any.
8. To the extent that the concessionaire may have been allocated user days or other access privileges to the recreation area for the purposes of the contract, such allocations are subject to change or elimination by Reclamation. The contract does not grant such allocations as a matter of right to the concessionaire or any subsequent concessionaire.
9. The concessionaire represents that it has not been advised by Reclamation or any official of the United States Government that Reclamation or any Government official considers the terms of this transaction to be reasonable or that the concessionaire may expect to earn a profit under the terms of the contract and this transaction.
10. Notwithstanding the terms of any agreements entered into between Lender and concessionaire, the United States, pursuant to the contract, has a first lien on all assets of the concessionaire within the recreation area. The United States is not, by approving this encumbrance or otherwise, waiving its right to this first lien on the concessionaire's assets.



11. The concessionaire expressly warrants that the terms of any agreements entered into between lender and concessionaire to effectuate the encumbrance include provisions that upon occurrence of any event of default of the encumbrance by concessionaire, the lender or any other related party may not conduct operations under the contract without a new request for approval by Reclamation.
12. No further assignment or encumbrance may be made without the written consent and approval of Reclamation.

**Concessionaire:**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attest (Notary Public):**

By: \_\_\_\_\_

Typed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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(Area Name)

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## CHAPTER 5 – OPERATING PLAN

[NOTE: This chapter corresponds to the information provided in the “Operating Plan” exhibit to the “Draft Concession Contract” (section 2) and also provides additional discussion and background data to help Reclamation employees fully understand how to develop a viable Operating Plan.]

### A. INTRODUCTION

This Operating Plan between \_\_\_\_\_ (hereinafter referred to as the “concessionaire”) and \_\_\_\_ (Area Name) \_\_\_\_\_, Bureau of Reclamation (hereinafter referred to as “Reclamation”) shall serve as a supplement to concession contract No. CC-AREA###-YY (hereinafter referred to as the “contract”) but does not amend the authorization or alter the rights and liabilities of the parties to the contract. The Operating Plan delineates and specifies the operating responsibilities of the concessionaire and Reclamation with regard to those lands and facilities within \_\_\_\_ (Area Name) \_\_\_\_\_ that are assigned to, or otherwise used by, the concessionaire for the purposes authorized by the contract.

In the event of any apparent conflict between the terms of the contract and this Operating Plan, the terms of the contract, including its designations and amendments, shall prevail.

This plan shall remain in effect until superseded or amended. It will be reviewed annually by Reclamation in consultation with the concessionaire and revised as determined necessary by the area manager of \_\_\_\_ (Area Name) \_\_\_\_\_.

[From this point on, the Operating Plan needs to be tailored to the requirements of each individual area.]

### B. MANAGEMENT, ORGANIZATION, AND RESPONSIBILITIES

#### 1. Concessionaire

- a. The concessionaire will direct this concession operation. The concessionaire shall employ an on-site manager to carry out the policies and directives of Reclamation as well as those of the concessionaire in the operation of the authorized concession facilities and services in \_\_\_\_ (Area Name) \_\_\_\_\_. To achieve an effective working relationship between the concessionaire and Reclamation, the concessionaire shall designate one representative who has full authority to act as a liaison in all concession matters within \_\_\_\_ (Area Name) \_\_\_\_\_.
- b. The on-site manager will employ a staff with the expertise to operate all services authorized under the contract.

- c. The on-site manager will furnish Reclamation with an initial list identifying key concession management and supervisory personnel and their job titles. The list will be updated as changes occur.

## **2. Reclamation Area Office**

- a. The area manager manages the total area operation, including concession operations. The area manager carries out the policies and directives of Reclamation, including oversight of contracts. Through staff representatives, the area manager reviews, supervises, and coordinates concession activities within           (Area Name)          .

Monitoring contract compliance includes evaluating all concession operations and services and reviewing and authorizing all rates, improvements to facilities, and construction.

- b. Area office personnel are responsible for coordinating planning and development activities, overseeing environmental compliance, and supervising the concession management activities within the Reclamation area.
- c. Area office personnel make recommendations to the area manager on all aspects of the concessionaire's operation. The area manager ensures that necessary evaluations and inspections are performed, including those required by the U.S. Public Health Service and the area safety officer (including fire inspections), along with the periodic evaluations required under the Reclamation's Concessions Review Program. Area office personnel ensure that approval of all concession rates is based on current comparability studies or applicable guidelines. They have authority from the area manager to make field decisions pertaining to the concession operations and to act as liaison between the concessionaire and the area manager.

Area office staff reviews and coordinates the concessionaire's day-to-day activities; operational and maintenance activities; rate, service, and schedule changes; equal employment opportunity and affirmative action plans; advertisements; construction proposals; annual financial reports; insurance coverage; and any other contract requirements.

- d. The area office safety officer should monitor the Concessionaire Risk Management Program to ensure that it meets all applicable standards.
- e. The area office sanitarian, if one exists, should monitor food and beverage services, grocery stores, solid waste disposal, water, and waste water systems to ensure adherence to all applicable public health standards.

- f. The area office hazardous materials coordinator, if one exists, is responsible for developing the hazardous waste and hazardous materials programs and monitoring compliance within the scope of authority and resources assigned by the area manager.
- g. Area office staff initiates, reviews, supervises, and coordinates the activities of personnel who provide visitor services and protection functions and serves as the direct line of communication to the concessionaire on matters related to fire management, law enforcement, safety, prescribed fire, search and rescue, emergency medical services, and resource protection.
- h. The area manager should assign a staff employee responsibility for matters pertaining to interpretation, environmental education, museum services, and public information.
  - (1) An area office interpreter, if one exists, should provide interpretive programs for the visiting public and serve as the direct line of communication to the concessionaire about interpretive matters, including concession staff training.
  - (2) The public information officer coordinates media relations and activities directly with the concessionaire. This office also prepares the area's informational newspaper.
- i. The cultural resources specialist serves as the direct line of communication to the concessionaire about the care, treatment, and preservation of the historic structures assigned to the concessionaire.
- j. The operation and maintenance (O&M) chief should act on behalf of the area manager in matters pertaining to maintenance and serve as the direct line of communications to the concessionaire on routine maintenance matters. The O&M chief may, with assistance from other office personnel, provide technical advice and assistance to the concessionaire on matters concerning maintenance of historic structures.
- k. The resources management chief acts on behalf of the area manager in all matters pertaining to natural resources management such as air quality monitoring, vegetation management, fish and wildlife management, and hazard-tree mitigation.
- l. The administrative officer should act on behalf of the area manager in matters related to fiscal management associated with concession activities, including billing for payment of franchise fees, utilities, lease fees, quarter rentals, and personal services provided by Reclamation to the concessionaire.

## **C. CONCESSION OPERATIONS**

The operation of accommodations, facilities, and services authorized by the contract will conform to the evaluation standards set forth in the Concessionaire Review (Evaluation) Program, chapter 10, and this Operating Plan.

### **1. Operational Evaluations**

- a. Reclamation and the concessionaire shall separately inspect and monitor concession facilities and services with respect to Reclamation policy, applicable standards, authorized rates, risk management, public health, impacts on cultural and natural resources, and visitor concerns and reactions. Reclamation will evaluate all services and facilities operated by the concessionaire to ensure public safety and health, identify maintenance and operating deficiencies, and ensure satisfactory services and accommodations for the general public within assigned areas of responsibility and in accordance with the land assignment maps, which should be included as an exhibit to the concession contract.
- b. The area manager's representative(s), normally the concessions management specialists, will conduct periodic inspections of concessionaire facilities and services to ensure conformance to operational standards established by the Concessionaire Review (Evaluation) Program. Location managers may be contacted at the time of evaluations so that a representative of the concessionaire can accompany the Reclamation evaluator.
- c. The area's safety officer will conduct at least one annual comprehensive safety and occupational health evaluation.
- d. The Public Health Service shall conduct periodic food service evaluations; inspections may be conducted without prior notice. The concessionaire will maintain and follow a formal, written, food-service-sanitation self-inspection program. Reclamation will help develop and update the program as necessary.
- e. The concessionaire will perform annual interior and exterior fire and risk management inspections of all concession buildings. Written records, verifying the completion of such inspections, will be maintained by the concessionaire and will be available to Reclamation upon request.
- f. Reclamation reserves the right, in accordance with the contract, to enter the concessionaire's facilities at any reasonable time for inspections or when otherwise deemed necessary.

- g. The area's hazardous materials coordinator will conduct at least one evaluation annually of the concessionaire's compliance with hazardous materials and hazardous waste regulations and Reclamation policies.
- h. The concessionaire must be responsive to dates assigned for correction of deficiencies and abatement plans for correction of identified deficiencies. The concessionaire will meet with Reclamation officials to schedule and prioritize correction of deficiencies and improvement programs resulting from these inspections.

## **2. Rates**

- a. The concessionaire will submit written requests for all rate increases enough in advance of anticipated implementation dates to allow Reclamation time to conduct rate analysis and/or comparability studies. Requests for rate changes will be processed as expeditiously as possible. This means the concessionaire will need to discuss with Reclamation the latest date it needs to have approved rates. Then, Reclamation can identify how much time in advance submittal must occur.

Annual requests for rate changes should be submitted according to a schedule established by local Reclamation and concessionaire management staff.

- b. Such requests shall include pertinent information about the rate, product, or service proposed. This includes, but is not limited to, brand names, portions, hours of service, and amenities provided. For food service requests, this will include an indication of which items will be regularly on the menu and which will be special or limited runs.
- c. The concessionaire shall provide a range of service levels, qualities, and associated prices for all goods and services provided to the public under the contract.
- d. If the concessionaire offers an item or service at less than the optimum condition (because of unavailable amenities or condiments or because of poor service or other conditions), the item or service will be discounted. This should not be construed to condone shortages or "running out" of items on a regular basis and should be used only in unavoidable situations.
- e. Reclamation will approve, disapprove, or adjust rates and will inform the concessionaire of the reason for any disapproval or adjustment within the parameters established in (a.) above. If the concessionaire requests a quicker response, Reclamation will attempt to accommodate the request; however, this will not be normal procedure. If a longer response period is needed, Reclamation will contact the concessionaire and negotiate a response date.



- f. The concessionaire will prominently post all rates for goods and services provided to the visiting public.

### **3. Reduced Rates for Government Employees and Others**

- a. Government employees on official business and others (not family members) on Reclamation-related business, as designated by the area manager, will receive reduced rates for lodging and transportation. Reduced rates are not applicable under any circumstances for food or merchandise, including groceries, gasoline, or other automobile needs.
- b. Reduced rates for Government employees and others on official business will be part of the approved rate schedules and will not exceed allowable per diem. Goods and services may not be provided to Government employees or their families without charge or at reduced rates except within the provisions described above or as available to the general public.

### **4. Schedule of Operation**

The concessionaire will provide authorized services for visitors on a year-round basis; some facilities close seasonally or provide limited services. The concessionaire will annually submit a written schedule of proposed opening and closing dates and operating hours for all concession facilities for the area manager's approval before implementation. Reclamation will give reasonable notice of any schedule changes that it may initiate. Weather and visitation may cause specific dates of operating seasons to fluctuate; these dates, however, will be agreed upon and approved by Reclamation.

### **5. Staffing and Employment**

- a. Concessionaire Hiring.
  - (1) The concessionaire will hire a sufficient number of employees to ensure satisfactory services during shoulder as well as peak visitor seasons.
  - (2) The concessionaire will attempt to offer concession employees a full workweek whenever possible. Before employment, the concessionaire will inform employees of the possibility that less than full-time employment may occur during slow periods.
  - (3) The concessionaire will establish hiring policies that will include appropriate background reviews of applicants for employment.

- (4) Drivers of delivery trucks or passenger carrying vehicles shall have a valid operator's license for the size and class of vehicle being driven. They shall also meet any additional State requirements established for the vehicle driven or passengers carried.

b. Employee Housing.

- (1) The concessionaire will provide housing and food service for concession employees when feasible. The room and board account should be a break-even account to the extent possible. The concessionaire should ensure that employee room and board charges do not exceed earnings as a result of mandatory reduction in work.
- (2) When concession employees are housed in government-owned facilities (not including those assigned to the concessionaire) or on government-owned trailer sites, Reclamation will bill the concessionaire for all concession employees.
- (3) The concessionaire will inspect all quarters for fire and safety compliance within 30 days of initial occupancy of a residence. Monthly fire drills will be performed by the concessionaire in all dorm buildings of more than one story. Employee rooms will be adequately furnished to serve the number of occupants.
- (4) Reclamation's safety officer should have responsibility for health and safety inspections in employee housing areas. The area office's concession management specialist, if one exists, should be responsible for conducting periodic inspections of concessionaire's employee housing.
- (5) The concessionaire will provide adequate cooking and food storage facilities where appropriate. The concessionaire will ensure employee compliance with health, fire, and safety code regulations and Reclamation policies and guidelines. Food storage facilities shall be bear- and vermin-proof.
- (6) The concessionaire shall provide facilities and services necessary for recycling aluminum, newspaper, glass, and cardboard generated within all employee housing areas. The concessionaire shall promote recycling and make it convenient for employees.
- (7) Employee housing managers will notify Reclamation of vehicles that are abandoned within assigned employee parking lots. These vehicles will be towed at the expense of the owner.

c. Employee and Staffing Practices.

- (1) All employees dealing with the general public shall wear uniforms or standardized clothing with personal nametag. Employees will project a hospitable, friendly, helpful, positive attitude; be capable of and willing to answer visitor questions; and provide visitor assistance. The concessionaire shall take appropriate steps to enforce these rules.
- (2) The concessionaire shall have an affirmative action plan, as required by law, and shall post the plan in the office and work area.

d. Reclamation Employees and Families.

The concessionaire shall not employ in any status a Reclamation employee, the spouse of a Reclamation employee, or minor children of a Reclamation employee without the area manager's approval. Reclamation employees must submit a written request to the area manager that their spouse or minor children are allowed to work for the concessionaire. The concessionaire shall not employ in any status the spouse or children of the area manager, assistant area manager, chief of concessions management, concessions management specialists, or safety officer.

e. Training Program.

- (1) The concessionaire will provide employee orientation and training and will inform employees of the regulations and requirements that affect their employment and activities while residing and working for the concessionaire. Additional orientation pertinent to the developed area where the employees are assigned will be conducted by the concessionaire with Reclamation participation on location.

The concessionaire shall provide new employees with an orientation to the concessionaire's hazardous substance spill contingency plan and the concessionaire's hazardous materials program.

- (2) The concessionaire will provide appropriate job training to each employee before duties are assigned and before the employee begins working with the public. Reclamation will provide orientation(s) to the concessionaire regarding the Concessions Review Program and other Reclamation concession programs, emphasizing the operational review program.
- (3) The concessionaire will provide hospitality training for employees who have direct visitor contact or who provide visitor information.

- (4) The concessionaire will design and provide interpretive training for all employees who provide interpretive or informational services. Reclamation will work closely with the concessionaire to refine the methods of preparing and conducting effective interpretive programs. Reclamation will evaluate interpretive visitor services to ensure appropriateness, accuracy, and the relationship of the interpretive program to themes of the area.

f. Employee and Community Services.

The concessionaire will develop and support an employee recreation program. This program will provide facilities for various types of recreation for employees, such as dances, a wellness center, sports activities, fitness programs, and movies. The concessionaire may make these activities available to other community members.

## **D. SCOPE AND QUALITY OF SERVICE**

All services are to be provided in a consistent and quality manner. Standards provided by the Reclamation Operational Performance Program are considered service minimums. The concessionaire is expected to make every effort to exceed these standards. The concessionaire shall be responsible for monitoring concession operations to ensure that quality standards are met. The following facility types and services are representative of most concession activities. It is not required to provide all of these in every location. This is meant as a general guide.

### **1. Overnight Accommodations**

a. General.

The total room numbers available will not exceed the limitation set forth in the contract or planning documents for the area. The concessionaire will provide clean, well-maintained overnight accommodations.

b. Credit Cards.

Government-issued credit cards will be honored for lodging.

c. Telephone Services.

Telephone services shall provide public access to long distance services in accordance with “The Telephone Operator Consumer Service Act.” Charges to guests will not exceed the FCC approved AT&T tariff time-of-day and day-of-week, public switched-message rates. The concessionaire will not remove or supplement public pay phones installed in the area.

- d. Lodging Reservations, Deposits, and Refunds.
  - (1) The concessionaire will adequately staff the reservations office to meet the need during peak periods.
  - (2) The concessionaire will accept reservations at least 1 year and 1 day in advance, but not more than 2 years in advance. A deposit may be required to hold a reservation. The deposit requirement and refund policy is part of the rate approval process. Any deposit may be paid by cash, check, money order, or major credit card.
  - (3) If cancellation is made 72 or more hours in advance of the check-in time, the deposit will be refunded in full. If the cancellation is made less than 72 hours in advance, the deposit is forfeited unless all rooms are eventually filled. Rates confirmed by the concessionaire shall be honored at the time of the stay. Refunds will be processed within 1 month of cancellation.
  
- e. Conventions, Group Meetings, and Special Events.
  - (1) The concessionaire shall limit convention and group meeting use of its facilities to the off-season period(s), and then the concessionaire will fill only accommodations that would otherwise be vacant. Special groups may not set facilities aside for exclusive use if the exclusive use will interfere with the general public's use and enjoyment of the Area or facility.
  - (2) Where occupancies are low, the concessionaire is encouraged to schedule special events that relate closely to themes of the area.

## **2. Food and Beverage Service**

- a. All menus will maintain a price range that accommodates the general range of area visitors.
- b. To the extent possible, the concessionaire will offer a range of food services that accommodate a wide variety of visitors. Food service operations will offer variety at each location, including vegetarian entrees, light eater's portions, and children's menus. All menus will maintain a price range that accommodates the general range of visitors.

## **3. Alcoholic Beverage Sales**

- a. The concessionaire will comply with applicable State laws and regulations, which will be enforced by Reclamation.

- b. Alcoholic beverage service may be available to the public with meal service (bona fide eating place) and at designated lounges. Alcoholic beverage sales will be available to the public at specific merchandising outlets. No promotional activities (e.g., happy hours or two-for-one sales) will center on alcoholic beverages.

#### 4. Merchandising

- a. General.

All retail services will comply with the guidelines established by Reclamation. Guidelines regarding merchandise sales operations are included in the contract.

- b. Gifts and Souvenirs.

**[NOTE: This section is optional based on Reclamation’s objective at any particular area.]**

- (1) Appendix A of this Operating Plan is a “Gift Shop Mission Statement.”
- (2) Gift and souvenir sales will conform to the Gift Shop Mission Statement, including the following guidelines:
  - (a) A broad range of gifts and souvenirs will provide visitors with opportunities to buy inexpensive as well as fine art items.
  - (b) Handcraft items representing area and regional themes, including crafts by local and Indian artists, will be actively sought and prominently displayed. All merchandise sold as handcraft items will have appropriate handcraft certification.
  - (c) Gift shops will offer items that have a direct relationship to (Area Name), its environs, its history, or other related environmental or cultural topics. This will provide visitors with opportunities to buy memorabilia of their Reclamation area visit while at the same time obtaining information or educational messages related to the area’s resources. Where possible and appropriate, informative tags will be attached to the sales item to show their relationship to Reclamation area themes. Items of Reclamation area interpretive value and general value in environmental and cultural education will be prominently displayed.

- (d) Gifts and souvenir items that are commonly found outside the Reclamation area and that do not relate to identified Reclamation area themes will not be restocked. Existing stocks may be sold until depleted.

- c. Sporting Goods and Clothing.

The concessionaire shall carry a selection of clothing and sporting goods to meet the needs of visitors who may have forgotten items or need emergency replacements. The intent of this visitor service is to provide a narrow selection of items, which nonetheless, represents a range of price and quality levels.

- d. Firewood.

The concessionaire shall acquire fully cured firewood from outside the Reclamation area for sale in its facilities. Reclamation encourages the use of lower emission fuels when and wherever possible.

## **5. Interpretive Services**

- a. General.

The concessionaire shall submit to Reclamation a written plan for the concession's interpretive program that outlines, for both non-personal and personal services, a basic description of the topics to be covered, a bibliography of resource materials being used, and the scope of employee training.

- b. Guided Bus Tours.

- (1) The concessionaire will provide guided bus tours using vehicles provided by the concessionaire.
- (2) The concessionaire will provide a sufficient number of trained, courteous drivers and support staff to meet the operating schedule. Personnel will wear appropriate uniforms.
- (3) The concessionaire will adequately train staff members in safe operating procedures and interpretive techniques. The concessionaire will provide and be evaluated on thematic interpretation. Employees will demonstrate their knowledge of the Reclamation area, Reclamation goals, and appropriate interpretive techniques in the concessionaire's programs.

- c. Indirect Interpretive Services.
  - (1) In addition to personal interpretation services, the concessionaire will actively pursue an indirect interpretive program. At food service facilities, interpretive messages will be included on menus, placemats, paper cups, tent-cards, etc. The concessionaire will explore a wide range of possible ways of conveying interpretive messages to visitors on related themes and topics such as resource protection, appreciation of area values, and Reclamation goals.
  - (2) Area interpretive themes will carry over to merchandise sold in retail outlets.
- d. Interpretive Assistance.

Area office personnel should be available to advise and assist the concessionaire in the development of an interpretive program that encompasses all these efforts.

## **6. Ski Touring Operations**

- a. Equipment will comply with standards promulgated by the American Society for Testing and Materials (ASTM); employees will receive proper training to work with equipment according to the manufacturer's specifications and ASTM.
- b. Snowshoe and Nordic ski equipment rentals will be available when snow conditions permit snowshoeing and skiing. The concessionaire shall maintain an adequate supply of quality rental equipment in a wide variety of sizes to meet visitor needs. Staff shall possess the expertise needed to properly fit the equipment to the visitor's needs and abilities.
- c. The concessionaire is authorized to groom loop trails using mechanical grooming equipment. Machine grooming will not occur until average snow depth exceeds 24 inches. Machines will not cross open streams unless snow bridges can be constructed from available snowpack. With specific permission from the area manager, a snowmobile may be used for grooming trails in less than 24 inches of snow if this does not result in any disturbance of vegetation or soils.

## **7. Automobile Service Stations**

- a. Stations will be equipped and supplied with sufficient parts to enable them to make emergency vehicle repairs. Stations will be equipped and supplied or have access to supplies (such as replacement fan belts) to



enable visitors to make minor repairs. There will be a mechanic on call during regular business hours. Diesel fuel and unleaded gasoline will be available.

- b. Emergency after-hours gasoline purchases will be available at the Reclamation-approved call-out rate. When towing services are required, the concessionaire will recommend Reclamation-approved towing services.
- c. The concessionaire will comply with all Federal, State, and local regulations regarding hazardous materials and environmental concerns. The concessionaire shall place a salvage drum at each service station and be equipped to immediately address any spill.

## **8. Showers and Laundry Facilities**

Shower enclosures and stalls will be well maintained and clean. Water pressure and temperature will remain constant and at appropriate levels. The concessionaire shall provide at least two clothing hooks in each stall.

## **9. Vending Machines**

- a. Vending and ice machines will be readily discernible, adequately illuminated, conveniently located, and designed to complement the aesthetics of nearby buildings and surroundings. All proposed locations must be approved by Reclamation. All machines will be clean, properly stocked, and in good working condition. Signing on the machine will be generic in nature. Brand information should be visible only when at the machine.
- b. Cigarette vending machines are prohibited.
- c. When out of order for the season, signs will be posted on the vending machines that direct patrons to the closest available unit.

# **E. REPORTS**

## **1. Concessionaire**

- a. Management Information System.

To document visitor use impact, the concessionaire may, as directed, maintain a management information system on lodging and food service operations and provide the area manager with a monthly report that

reflects the following type of information. Each area should independently determine and identify data to be collected and submitted to Reclamation.

- (1) Units available
- (2) Units occupied
- (3) Percentage of occupancy
- (4) Total guest count
- (5) Number of guests per unit
- (6) Average length of stay
- (7) Number of meals served (breakfast, lunch, and dinner)

b. Other Reports Required by the Contract:

- (1) Annual Financial Report: April 1 each year
- (2) Certificate of Insurance: March 1 each year
- (3) Statement of Insurance: March 1 each year  
(from concessionaire's insurance company)

c. Utility Pass-Through Revenues (if applicable).

The concessionaire shall provide the area manager with monthly reports on utility rates recouped as pass-through revenue during the reporting month. If, during the year, the concessionaire believes, based on past and current records, that the adjusted rates may result in a substantial shortage or excess of revenues, he should recommend changes to the area manager to bring the recouped revenue within the required range (5 percent or less of utility costs).

d. Incident Reports.

The concessionaire will immediately report to the Reclamation Communication Center any fatalities or visitor-related incidents that could result in a tort claim against the United States; property damage over \$500; any employee, visitor, or stock injuries requiring more than minor first aid treatment; any fires; any motor vehicle accidents; any incidents that affect the natural or cultural resources; and any known or suspected violations of law involving people not employed by the concessionaire.

e. Human Illness Reports.

Information on all human illnesses, whether employees or guests, is to be promptly reported to Reclamation's risk management office. This information, along with other information received, will be evaluated by the area sanitarian to help identify outbreaks of illness associated with

contaminated water or food sources or caused by other adverse environmental conditions. Reports shall be made by telephone.

f. Hazardous Materials Quarterly Report.

To document information regarding the concessionaire's hazardous materials, the concessionaire shall provide the area manager with a quarterly report (in a format to be designated by the area manager) that includes the following information for every hazardous material stored on-site or used during the prior quarter:

- (1) Maximum quantity, in pounds, of every material at any time during the quarter.
- (2) Form of the material.
- (3) Location of the material.
- (4) Hazard category of the material.
- (5) Type of storage containment.
- (6) Whether the material contains any chemical regulated as an extremely hazardous substance under Section 3.02/303 of the Emergency Planning and Community Right-to-Know Act (EPCRA).
- (7) The Material Safety Data Sheet.
- (8) The amount of materials used in the prior quarter, how the material was used, and the total volume of release (as defined in EPCRA) of that material and the media into which the material was released for every hazardous material used that contains a chemical regulated under Section 3.13 of EPCRA.
- (9) Any activities undertaken or planned to reduce hazardous waste generation.

g. Hazardous Waste Generation.

To document information regarding the concessionaire's solid wastes, the concessionaire shall provide the area manager with a quarterly report (in a format to be designated by the area manager) that includes the following information for all solid waste generated during the prior quarter:

- (1) Volume of solid wastes generated per month in the prior quarter (this may be broken down into statistics for different districts or visitation centers).
- (2) Volume of recyclable materials recovered by type per month.
- (3) Products acquired for use that are made of recycled products or meet the definition of EPA's Environmentally Preferable Purchasing Program.
- (4) Any activities planned or undertaken to reduce the amount of solid waste generated that requires landfill disposal.

## **2. Area Office**

### **a. Annual Review of Utility Rates.**

When Reclamation is providing utilities to a concessionaire, the operating costs for utility systems and services will be reviewed by the area office annually in July, and the concessionaire will be notified in writing by August 1 of the rates for the upcoming year (which will run from October 1 – September 30).

### **b. Annual Utility Pass-Through Reconciliation.**

The concessionaire's monthly pass-through reports will be reviewed by the area office annually in November to compare the projected and actual utility costs and rate pass-throughs. Differences (plus or minus) of 5 percent or less of utility costs will be ignored. Differences of more than 5 percent will result in adjustments for the following year.

## **F. SANITATION**

### **1. Inspections**

Reclamation will regularly inspect each food service facility, market, and public shower for sanitation.

### **2. Sanitation Training**

At a minimum, the concessionaire will provide sanitation training for food service managers at the start of their employment in a food service facility and at least once every 5 years thereafter.

### **3. Garbage Collection**

#### **a. Concessionaire.**

During the summer, the concessionaire will engage an independent contractor for the removal of the trash and garbage generated by its facilities. The following procedures will be included in its contract: The contractor will supply and deliver the size and number of bear-proof lockable bins specified by the concessionaire. The contractor is responsible for emptying all bins as needed, picking up any trash or garbage that should fall from the container being emptied, and maintaining the cleanliness of the bins to minimize the attraction of insects and wildlife. In areas where trash or garbage pick-up noise may disturb guests, the contractor is restricted to pick-ups between 8:00 a.m. and 5:00 p.m. If it is necessary for the contractor's garbage truck to be parked within the concession area overnight or longer, the truck will be based within the concessionaire's assigned area.

#### **b. Concession Area.**

If Reclamation provides garbage collection during the winter months, Reclamation shall provide containers that are in good repair. Reclamation shall schedule collection; pick-up trash or garbage that should fall from the container being emptied; and maintain the cleanliness of the containers to minimize the attraction of insects and wildlife.

## **G. UTILITY RESPONSIBILITY (AS APPLICABLE)**

### **1. Concessionaire**

The concessionaire is responsible for contracting independent suppliers to provide year-round electrical service, telephone service, and propane supplies, as well as for garbage collection during the summer. The concessionaire is responsible for the direct payment to these suppliers.

Maintenance responsibilities are described in the Maintenance Plan.

### **2. Reclamation**

Reclamation may provide water and sewer services to the concessionaire's assigned facilities.

Reclamation may provide garbage pick-up service. Rates for services shall be based on actual operating costs (excluding capital investment) or comparability to

surrounding areas (including those used in establishing visitor rates), whichever is greater. The concessionaire will be billed for actual usage each month.

Maintenance responsibilities are described in the Maintenance Plan.

## **H. CONCESSIONAIRE RISK MANAGEMENT PROGRAM**

In accordance with the Occupational Safety and Health Act of 1970 and the “Bureau of Reclamation concession Risk Management Program,” the concessionaire is required to develop a Risk Management Program to provide a safe and healthful environment for all concession employees and visitors.

The concessionaire will develop, maintain, and implement a documented Risk Management Plan, as outlined in the “Bureau of Reclamation Concession Risk Management Program,” less any specific elements of the plan that have been waived in writing by the area manager. An initial submittal and request of approval of this plan will be made to the area manager within 120 days of contract execution.

## **I. LOST AND FOUND POLICY**

Each found item shall be tagged, listing the item found, location found, date and time found, and who found it. The found items should be handled according to the concessionaire’s Lost and Found Policy.

The concessionaire shall attempt to identify the ownership of the found item and provide this information to Reclamation. Under no circumstances will concessionaire or Reclamation employees be permitted to keep lost and found items even after a prescribed waiting period.

## **J. INTEGRATED PEST MANAGEMENT**

The control of pests by chemical and other means is subject to area office approval. Procedures are outlined in the area office’s Integrated Pest Management Plan. Specific problems can be referred to the area office’s integrated pest management coordinator.

## **K. COMPLAINTS**

Reclamation will send complaints or comments regarding concessionaire services to the concessionaire for investigation. the concessionaire must respond in a timely manner, in writing, to the person who lodged the complaint. The concessionaire must also provide the area manager with a copy of the response. A copy of Reclamation’s response to the complaint, if necessary, will be forwarded to the concessionaire.

To initiate valid and responsive visitor comments, the following notice will be prominently posted at all concessionaire cash registers and payment areas:

This service is operated by       (Name of concessionaire)      , a concessionaire under contract administered by the Department of the Interior (Interior), Reclamation. The concessionaire is responsible for conducting these operations in a satisfactory manner.

Please address comments to:     Area manager  
  Area office name  
  City, State Zip Code

## **L.     ADVERTISEMENTS/PUBLIC INFORMATION**

All signs and promotional material must be approved by the area manager before publication, distribution, broadcasting, placing on the Internet, etc. Advertisements must include a statement that the concessionaire is authorized by Reclamation to serve the public in       (Area Name)      . Brochure changes and layout should be submitted to the area manager for review at least 30 days before the projected need or printing dates. The area manager will make every effort to respond to minor changes to brochure and menu texts within 15 days. Longer periods may be required for major projects or if Reclamation assistance is required to help develop the product. The concessionaire should contact area office staff well in advance to establish specific time frames for each project.

Advertisements for employment must contain a statement that the company is an equal opportunity employer.

## **M.     PROTECTION AND SECURITY**

### **1.     Resource Protection**

- a.     Reclamation will provide resource protection. Any harm or alteration of natural, paleontological, historic, or archaeological objects or structures is prohibited.
- b.     The concessionaire shall ensure that its employees and customers leave artifacts and objects in place and do not enter ruins. If the concessionaire observes signs of vandalism of any kind (including defacement of rocks and damage to property), the concessionaire shall notify an area office representative as soon as possible.
- c.     The concessionaire shall provide restoration of any resources damaged by its operation. Restoration measures shall be determined and directed by Reclamation.

- d. Fishing shall be in accordance with laws and regulations of the State in which the concession and area offices are located.

## **2. Fire Protection**

The concessionaire must ensure that all buildings within the assigned area meet fire and life safety codes and that fire detection and suppression equipment is in good operating condition at all times. It is also the concessionaire's responsibility to report all structural fires immediately. The concessionaire should allow employees to be on the various developed area volunteer fire brigades (unless there is a bonafide full-time fire department) and will allow time away from their primary duties for necessary training.

## **3. Emergency Medical Care**

All injuries sustained by visitors or employees in concession facilities and all medical emergencies should be reported promptly to Reclamation. All employee and visitor illness complaints will be promptly reported to Reclamation so that thorough investigations can be completed as necessary.

During the busy season, the concessionaire shall provide a full-time employee who is qualified to provide health information and first aid treatment to the concessionaire's employees.

## **4. Concessionaire Security Personnel**

Concessionaire-employed security personnel have no authority to take law enforcement action or carry firearms. Concessionaire-employed security personnel are empowered to enforce the concessionaire's employee policies and housing regulations.

During peak visitor periods, the concessionaire shall provide security personnel to handle in-house employee issues and to check concession facilities for security purposes.

# **N. DESIGN AND CONSTRUCTION**

Reclamation must approve plans and specifications for all types of construction before the start of each project. Submittals should be made in a time frame that allows for all necessary reviews and clearances. Plans and specifications must be prepared in accordance with Reclamation Design and Construction Standards. Construction codes to be followed include, but are not limited to, the most current editions of the Uniform Building Code, the National Plumbing Code, the National Electric Code, Americans with Disabilities Act Accessibility Guidelines (ADAAG), National Fire Protection



Association's Life Safety Code, and pertinent State codes and regulations. Where locally applicable codes exist that set a higher standard than national codes for a particular issue, the local codes will apply for that issue at the discretion of the area manager.

Constructing and renovating buildings on the List of Classified Structures or the *National Register of Historic Places* must be carried out in accordance with Public Law 96-515, National Historic Preservation Act; the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings; the Secretary of the Interior's Standards for Historic Preservation Projects; and 36 CFR, Chapter VIII, Advisory Council on Historic Preservation.

Further direction is provided in the Maintenance Plan, which is included in these guidelines.

## **O. FUEL STORAGE**

The concessionaire shall be responsible for compliance with all Federal, State, and local laws and regulations pertaining to underground and aboveground fuel storage. The concessionaire must provide the area manager with copies of all reports and correspondence to or required by any regulatory agency pertaining to fuel storage. If any leak detection testing indicates a possible release or leak from a tank, Reclamation must be notified immediately; the concessionaire will be responsible for fulfilling all reporting, monitoring, and remediation requirements associated with a leak or release.

Reclamation must approve all plans for any work involving underground and aboveground fuel storage tanks, tracer probes, monitoring wells, removal of contaminated soil, and groundwater remediation work.

## **P. HAZARDOUS MATERIALS**

The concessionaire shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials. The concessionaire shall provide Reclamation with a Hazardous Materials Business Plan within 6 months of execution of the contract. If the nature of the hazardous materials stored on-site changes, an update to this plan must be provided to the area manager. All hazardous materials must be stored and handled in a manner that minimizes the potential for spills and releases.

The concessionaire shall designate a hazardous materials coordinator who will have responsibility for all hazardous materials storage and for compliance with applicable laws and regulations.

The concessionaire shall provide the area manager with an Oil and Hazardous Substance Spill Contingency Plan that applies to the facilities assigned to the concessionaire. The concessionaire's plan must adopt emergency reporting and response procedures that complement and match Reclamation's plan, as appropriate. All spills and releases must be reported immediately by the concessionaire to the area manager and the area and

regional office's hazardous materials coordinator and to all local emergency response agencies, State emergency response agencies, and the National Response Center as required by law and regulation.

The concessionaire will be responsible for cleaning up contamination caused by spills or releases from facilities assigned to the concessionaire or equipment used by the concessionaire or otherwise attributable to the concessionaire. If the concessionaire fails to take action to clean up a spill or release in a timely fashion, Reclamation may take such action as is appropriate to remediate the contamination and recover the costs of such response from the concessionaire.

When a release of hazardous or nonhazardous chemical or biological product occurs, proper corrective, cleanup, and safety actions must be implemented immediately. Individual fleet and public service vehicles with a load rating greater than 2 tons should carry, at a minimum, enough absorbent materials to effectively immobilize the total volume of fluids contained within the vehicle. Vehicles and operators transporting hazardous materials must be Department of Transportation (DOT) certified and registered, and operators must be knowledgeable of local emergency response and personal safety protocol.

The concessionaire must provide information regarding hazardous materials used and stored on-site to the area manager in accordance with Part E, Reports, 1. Concessionaire (above), included in this section.

The concessionaire must adopt measures to minimize the use of hazardous materials, when appropriate, to minimize hazardous waste generation. If less toxic materials are available as a suitable substitute for a hazardous material, the alternative should be used, as appropriate, to decrease the potential for exposure to workers. The concessionaire shall seek to acquire environmentally preferable products, as defined by Executive Order 12873, A, when available.

## **Q. HAZARDOUS WASTE**

The concessionaire shall comply with all Federal, State, and local laws and regulations pertaining to hazardous waste.

The concessionaire shall designate a hazardous materials coordinator who will have responsibility for all hazardous waste accumulation areas and for compliance with applicable laws and regulations.

The concessionaire shall develop policies and practices to minimize hazardous waste generation. The concessionaire shall implement such minimization activities with the purpose of achieving a reduction of hazardous waste consistent with the mandate contained in Executive Order 12856.

The concessionaire shall provide the area manager with information regarding hazardous waste generation on a quarterly basis, in accordance with Part E, Reports.

## **R. RECYCLING AND CONSERVATION**

### **1. Source Reduction**

- a. In accordance with Executive Order 12873, the concessionaire shall track the rate at which solid waste is generated and work toward a specific reduction target by a certain time. This target may be coordinated with the area office. The concessionaire shall document its source reduction program in the reports provided to the area manager in accordance with Part E, Reports.
- b. The concessionaire will implement a source reduction program designed to minimize concession use of disposable products in its operations. Reusable and recyclable products are preferred over “throwaways.” Polystyrene and plastics will be used as little as possible and then only polystyrene not containing chlorofluorocarbon. Where disposable products are needed, products will be used that have the least impact on the environment. The use of post-consumer recycled products whenever possible will be encouraged.

### **2. Recycling and Beverage Container Programs**

- a. The concessionaire shall implement a recycling program that fully supports the efforts of Reclamation. Products to be recycled include, but are not limited to, paper, newsprint, cardboard, metals, plastics, aluminum, glass, waste oil, antifreeze, and batteries.
- b. The concessionaire shall provide recycling bins in all visitor areas. The concessionaire is responsible for emptying these bins as needed and for ensuring that these recovered materials are delivered for recycling and not sent to a landfill for disposal.
- c. Any beverage container deposits collected in excess of related operating expenses will be used for environmental projects as approved in writing by the area manager. An accounting of the beverage container deposits collected and distributed will be provided to Reclamation on an annual basis.

### **3. Water and Energy Conservation**

The concessionaire will implement water and energy conservation measures for each of its operations. As new technologies are developed, the concessionaire will explore the possibility of integrating them into existing operations where there is potential for increased efficiency, reduced water or energy consumption, or reduced impacts on the environment.

**4. Affirmative Procurement**

The concessionaire will implement an Affirmative Procurement Program, consistent with Executive Order 12873, for the preferential acquisition of products that have recycled material content or that are environmentally preferable.

**S. VOLUNTEERS**

The concessionaire will allow employees to participate in Reclamation’s volunteer programs to the extent it does not impact their scheduled duties.

**T. SMOKING IN PUBLIC BUILDINGS**

Concession facilities must comply with Interior guidelines relative to smoking in public buildings. The concessionaire will post notices in all public buildings as necessary.

**U. QUIET HOURS**

Quiet hours will be enforced between 10 p.m. and 6 a.m. in all concession overnight facilities and the concessionaire’s employee housing areas.

After consultation with the concessionaire and in consideration of issues of mutual concern, this Operating Plan reflects, as of its date of execution, the expectations, requirements, and commitments of the concessionaire and Reclamation.

<b>Concessionaire</b> _____	<b>Reclamation</b> _____
Title: _____	Area Manager: _____
Date: _____	Area Name: _____

# APPENDIX A

## GIFT SHOP MISSION STATEMENT

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*(Area Name)*

This is a sample Gift Shop Mission Statement. It should be adjusted to your needs but should focus area gift operations on the immediate area and Reclamation and away from unrelated gift items.

### PURPOSE

Two of the stated purposes for the area's Resource General Management Plan are to "preserve the resources that contribute to     (Area Name)     uniqueness and attractiveness" and to "make the varied resources of     (Area Name)     available to people for their individual enjoyment, education, and recreation, now and in the future." One of the area office's management objectives is to "assist all people in understanding, enjoying, and contributing to the preservation of the natural, cultural, and scenic resources."

Gift shops at the Reclamation area serve the two-fold mission of (1) providing opportunities for visitors to purchase mementos and (2) serving as an extension of Reclamation's interpretive responsibilities to the public. The shops provide a means for visitors to take something of their experience away with them by purchasing gifts and souvenirs that relate to the area's resources and educational messages. The purchases have the potential of both providing memories of an enjoyable experience and further contributing to the visitor's understanding of the area's preservation and related environmental and cultural values.

### OBJECTIVES

By responding to the above mission statement purpose and to the Reclamation Concession Management Guidelines, the following objectives are achieved:

The image of the Reclamation area and the gift shops are intertwined; the shops, in terms of both merchandise and personnel, are a front line of Reclamation's interaction with its visitors and should exemplify quality and professionalism. The area office will assist in training the concessionaire's staff in the interpretive and educational messages to be conveyed by sales items. The concessionaire will continue training retail personnel to be aware of the sources (when important), quality, and authenticity (when appropriate) of merchandise items.

To the greatest extent possible, gift and souvenir items will have an identifiable relationship (i.e., environmental themes) to (Area Name), its environs, its natural and cultural history, or other related topics.

Themes and categories will be identified by Reclamation's staff and the concessionaire's staff to guide in the implementation of objective 1. Gifts and souvenir items that do not relate to any of the above-identified themes will be phased out of the inventory.

Sales items with area interpretive and environmental or cultural educational value will be provided prominent display space. When possible and appropriate, informational tags will be attached to sales items in an interpretive or educational effort to illustrate the relationship of the item to one or more of the specific themes.

Handcraft items representing area and regional themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.

Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity to purchase items from both expensive and inexpensive categories. When appropriate, fine art may be included within the concessionaire's sales inventory.

The concessionaire has the responsibility to select specific merchandise items that comply with this Mission Statement and the general Reclamation merchandising guidelines. The area manager must be careful not to dictate the sale of specific gift items based on individual tastes in gifts and souvenirs. Reclamation recognizes that purchasing and merchandising new inventory will be phased, and that items that do not sell, regardless of how well they support area themes, need not be offered for sale or reordered.

The above objectives are for gift and souvenir sales items. It is recognized that the concessionaire will also sell groceries, camping equipment, supplies, activity items, clothing, sundries, and other general merchandise necessary and appropriate to meet the needs of visitors.

## **GIFT AND SOUVENIR THEMES**

### **Scenery**

- Domes, cliffs, meadows, forests, rivers and waterfalls seen in and from (Area Name).
- Peaks, ridges, canyons, lakes, streams, meadows, forests, and giant sequoia groves.
- Skies.

### **Geology**

- Mineral and rock samples and their origins.

- Life Communities**
  - Balance and interdependence of life forms.
  - Area flowers, trees, etc.
  - Area animals, birds, fish.
  
- Settlement of Area Name**
  - Native Americans in the vicinity of the concession.
  - European Americans in the vicinity of the concession.
  - Establishment of the Reclamation area; role of concessionaires.
  
- Reclamation Area Experience**
  - Enjoy the special attributes of the project.
  - Activities in local area.
  - Project specific information.
  - Reclamation area informational materials
  
- Environmental Topics**
  - General topics and issues of importance to all areas (e.g., air quality, water quality, and waste disposal).
  - Environmental ethics.

Approved: \_\_\_\_\_  
Area Manager Date

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(Area Name)

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## CHAPTER 6 – MAINTENANCE PLAN

[NOTE: This chapter corresponds to the information provided in the “Maintenance Plan” exhibit to the “Draft Concession Contract” (section 4) and also provides additional discussion and background data to help Reclamation employees fully understand how to develop a viable Maintenance Plan.]

### A. INTRODUCTION

This Maintenance Plan between \_\_\_\_\_ (hereinafter referred to as the “concessionaire”) and \_\_\_\_\_ *(Area Name)*, Bureau of Reclamation (hereinafter referred to as “Reclamation”) shall serve as a supplement to concession contract No. CC-AREA###-YY (hereinafter referred to as the “contract”) but does not amend the authorization or alter the rights and liabilities of the parties to the contract. The Maintenance Plan delineates and specifies the maintenance responsibilities of the concessionaire and Reclamation with regard to those lands and facilities within \_\_\_\_\_ *(Area Name)* that are assigned to, or otherwise used by, the concessionaire for the purposes authorized by the contract.

In the event of any apparent conflict between the terms of the contract and this Maintenance Plan, the terms of the contract, including its designations and amendments, shall prevail.

This plan shall remain in effect until superseded or amended. Reclamation will review the plan annually in consultation with the concessionaire and revise it if the area manager determines it to be necessary.

### B. GENERAL STANDARDS FOR CONCESSIONAIRE FACILITIES

The Reclamation Concessions Review Program offers general direction, expectations, and standards on all aspects of concession operations. The standards for interior and exterior maintenance are included in this section.

The concessionaire is required by the terms of the contract to maintain the facilities used in a manner that is acceptable to Reclamation. It is the purpose of this Maintenance Plan to help define the necessary standards and to define the maintenance relationship between the concessionaire and Reclamation. Both the concessionaire and Reclamation have specific responsibilities as outlined in the contract and this document.

### C. TERMS USED IN THIS MAINTENANCE PLAN

*Concessionaire improvements:* Defined in the concession contract.

*Government improvements:* Defined in the concession contract.

**Assigned Areas:** Lands within \_\_\_\_\_ (*Area Name*), as defined by land assignment maps in exhibit B to the contract. These lands contain improvements and support facilities used by the concessionaire. The concessionaire has specific responsibilities, defined below, regarding the maintenance and upkeep of these lands and facilities, including landscapes.

Comments addressing maintenance responsibilities specific to an area may also be found on the land assignment map(s). Any approved change in land use resulting from building modification, construction, or other activity is regarded as causing an immediate corresponding change in the land assignment.

**Exterior:** Refers to structures, the foundations, exterior walls and surfaces, roofs, porches, stairways, and other structural attachments. This includes all equipment, walkways, trails, parking lots, and other improvements, as well as the lands, landscapes, and utilities within the assigned area of responsibility.

**Interior:** Refers to the area of structures inside the external walls and under the roof, including doors and window frames. This also includes all equipment, appurtenances, improvements, and utility systems that penetrate the walls, roof, or foundation.

**Maintenance:** The preservation and upkeep of real or personal property in a condition as near as is practicable to the originally constructed condition or its subsequently improved condition. “Maintenance” includes operational cyclic repair and rehabilitation of designated areas, facilities, infrastructure, equipment, and their component parts—up to and including replacement if necessary—to provide a safe, sanitary, and aesthetically pleasing environment for area visitors and employees.

**Operations:** Refers to all aspects of activity by the concessionaire authorized under the contract. Operations include all services provided to the public and all nonpublic actions necessary to support those authorized services.

**Repair:** The act of correcting an unsatisfactory physical condition. Replacement is an aspect of repair and may be a necessary or economically sound approach to repairs. Repair is an aspect of maintenance, and the objective of repair is the same as the objective of the general act of maintenance as defined above.

From here on, each Reclamation area must adjust this agreement to suit its needs. However, the provisions of the concession contract may be changed only with the written concurrence of the regional director.

#### **D. ANNUAL MAINTENANCE INSPECTIONS**

Reclamation and the concessionaire shall conduct an annual joint inspection or review of Government and concessionaire improvements assigned to the concessionaire to determine what maintenance work is necessary and if the facilities comply with

applicable Federal and State laws, regulations, guidelines, rules, codes, and policies. This review shall take place on a schedule to be established by Reclamation in consultation with the concessionaire.

Based on the annual review, deficiencies noted on periodic evaluations and needs identified by concessionaire staff, the concessionaire shall prepare a list of maintenance needs and an annual maintenance program proposal. The concessionaire will submit the list and proposal for Reclamation approval by December 1 of each year. This program will list specific projects and the manner by which the concessionaire intends to execute its maintenance responsibilities during the following year.

## **E. CONCESSIONAIRE'S RESPONSIBILITIES**

The following sections identify the responsibilities of the concessionaire.

### **1. Improvements Assigned to the Concessionaire**

The concessionaire shall maintain and repair Government and concessionaire improvements assigned to the concessionaire except as noted under "Reclamation Responsibilities, F., below."

The concessionaire's maintenance responsibilities include, but are not limited to, lands, landscaping, and drainage structures; all improvements resting on the lands (buildings, walkways, trails, parking areas, pavement markings, fences, curbing, culverts, etc.); underground and aboveground storage tanks and associated mitigation, if needed; auto, bus, and heavy equipment maintenance areas (fuels and fluids management, used oil and lubricants, and used antifreeze, filters, and batteries); intrusion and fire alarm systems; interior and exterior lighting systems; fire suppression systems; utility and utility distribution systems; structural elements and surfaces (roofing, flooring, windows, doors, porches, etc., including hazard abatement); heating and cooling systems; and all installed fixtures and miscellaneous equipment.

The concessionaire will carry out general preventive and cyclic maintenance and emergency repair in a timely manner to ensure that all improvements assigned to the concessionaire achieve the basic goals described by the Concessions Review Program and applicable codes and guidelines.

If the concessionaire proposes to undertake work that will result in a modification to assigned improvements (both concessionaire and Government improvements), an increase in the possessory interest claimed by the concessionaire in a structure or facility, new or changed services, or new construction, the concessionaire will submit a written request to Reclamation and obtain written approval before undertaking the work. All plans submitted must be prepared in accordance with Reclamation guidelines.

During work and upon completion, an independent inspector will inspect all new construction or significant project work. The inspection shall be included in the project funding. An inspection report verifying code compliance must be submitted to Reclamation before using or occupying the improvement. Computer-generated “as built” drawings in the form of AutoCAD files (FILE.DWG) and a project completion report, including total project costs, shall be supplied to Reclamation within 45 days of completion of work on the project.

Written notification and approval are also required for projects that change the nature or appearance of any facility in a historic structure or a historic district. This does not apply to routine work that does not change the nature, appearance, or value of a facility.

- a. **Codes:** The concessionaire shall comply with all applicable Federal, State, and local codes, including, but not limited to, the Uniform Building Code, the Uniform Federal Accessibility Standards, the Uniform Plumbing Code, the National Electric Code, and the National Fire Protection Association’s (NFPA) Life Safety Codes, unless the area manager of \_\_\_\_\_ (*Area Name*) has provided a written exception.
- b. **Painting:** To maintain the appearance of the structures, exterior painting shall be performed on a 7-year cycle or more often if needed to provide adequate protection to the structure. Interior painting shall be performed on a 5-year cycle or more often if needed to maintain a good appearance. Reclamation must provide advance written approval for lengthening intervals or changing paint color. Latex paint (with low content of volatile organic compounds) must be used unless, because of the historic context or use context of the area to be painted, approval is granted by Reclamation for use of an oil-based product. All exterior paint colors must blend in with the natural landscape.
- c. **Interior Systems:** The concessionaire shall operate, repair, and replace lighting, heating, and cooling systems. The concessionaire shall clean and inspect all chimneys, fireplaces, stoves, and exhaust ducts before each operating season. The concessionaire shall also provide and install any needed winterization covers for chimneys.
- d. **Utility Systems:** The concessionaire shall operate, repair, and replace all interior and exterior utility systems within concessionaire land assignments as described herein or shown and described on land assignment maps.
- e. **Food Service Equipment:** All equipment used in food service operations, including but not limited to dishwashers, refrigerators, freezers, and serving tables, will comply with safety, public health, and sanitation codes.

- f. **Safety Equipment:** The concessionaire will comply with all applicable Federal, State, and local codes and provide and maintain safety devices, fire detection and suppression equipment, and such appurtenances as are necessary for the protection of employees and the public, including assigned concessionaire and Government improvements.
- g. **Fire Equipment:** The concessionaire is responsible for all hose boxes, fire hose, standpipes, and extinguishers within their area of responsibility and shall inspect the equipment on a regular basis to ensure proper working order and compliance with the NFPA Life Safety Code.
- h. **Roof Replacement:** As roof materials are replaced, fire retardant materials will be used to maximize the fire protection provided to structures assigned to the concessionaire.
- i. **Historic Structures (Historic Items):** Certain assigned concessionaire and Government improvements are listed on, or may be nominated to, the *National Register of Historic Places*.

The concessionaire shall submit plans for all proposed work or actions affecting these resources to Reclamation to ensure compliance with laws, policies, and guidelines, including the National Historic Preservation Act of 1966, as amended. This applies to any undertaking that may affect a historic structure, historic district, cultural landscape, archeological site, or historic object or furnishing. The concessionaire must document proposed actions using report forms that are available from Reclamation. Reclamation representatives will provide guidance to the concessionaire on the preparation of the report forms if requested. Reclamation cultural resources staff at the area and regional level, the State Historic Preservation Officer, and the Advisory Council on Historic Preservation will review the proposed project. Reclamation approval is required before undertaking the proposed action.

- j. **Winter Closures:** The concessionaire shall provide, as needed, winter bracing in unoccupied buildings to avoid damage to structures. The concessionaire shall install shutters on all windows that are susceptible to snow damage. Shutters shall be neatly made and fitted and shall match the color of the structure to which they are affixed. Shutters for the windows and doors of historic structures shall be installed in a manner approved by Reclamation.

The concessionaire shall remove snow from roofs when snow accumulations threaten to injure people or damage buildings. The concessionaire assumes sole responsibility for actions needed to correct damage that results from inadequate preventive measures.

- k. **Concessionaire Housing:** The concessionaire will carryout general maintenance and repair of employee housing structures on a timely basis

to ensure that employee housing achieves the basic goals described in the Concessions Review Program. Heating systems shall be inspected and cleaned on a cyclic basis and before initial occupancy. The concessionaire shall monitor employee housing for compliance with fire, health and safety codes, and Reclamation policies and guidelines.

1. **Underground and Aboveground Fuel Storage Tanks:** The concessionaire shall monitor, test, maintain, repair, upgrade, replace as necessary, and remove assigned underground or aboveground fuel storage tanks and mitigate any soil or groundwater contamination in accordance with Federal, State, and local regulations. Written notification and approval by Reclamation is required before initiating work.

## 2. **Hazardous Material**

The concessionaire shall maintain health and safety standards and take necessary mitigative and corrective measures to ensure healthy working and living environments in all assigned buildings and improvements.

The concessionaire shall store, handle, and use hazardous materials in a manner that protects workers from harmful exposure, minimizes the potential for spills and releases, and reduces the use of these materials in order to diminish the subsequent generation of hazardous waste.

Hazardous materials shall be handled in accordance with Occupational Safety and Health Administration 29 CFR, 1910 and 1926. Examples of hazardous materials requiring special management controls include asbestos, radon, and lead-based paint. The concessionaire shall obtain Reclamation approval before using chemicals, pesticides, and toxic materials. Applications and methods of use shall conform to Federal, State, and local laws and to applicable codes, policies, and guidelines.

- a. **Emergency Planning and Community Right-to-Know:** Consistent with Executive Order 12856, Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements, the concessionaire shall provide Reclamation with information regarding hazardous materials inventory (on-site storage) and hazardous materials usage. Reclamation will require hazardous materials storage and use information, even if the concessionaire operates under the regulatory thresholds governing applicability of Emergency Planning and Community Right-to-Know Act regulations. Executive Order 12856 requires Reclamation to report the cumulative storage and usage of hazardous materials by both Federal and non-Federal entities. Reporting to Reclamation does not exempt the concessionaire from any requirements to make notices and reports as required under this statute or any other Federal, State, or local statute or regulation. Hazardous materials storage and use information shall be provided to Reclamation quarterly. Reclamation reserves the right to

prohibit the use of certain hazardous materials within the area in the interest of protecting health and safety and natural or cultural resources.

- b. **Hazardous Materials-Related Training:** The concessionaire shall provide training to all employees in accordance with 29 CFR 1910.120 (First Responder for Hazardous Materials Incidents) and 29 CFR 1910.1200 (Hazard Communication). The concessionaire shall comply with all Federal, State, and local laws and regulations pertaining to hazardous materials.
  
- c. **Hazardous Waste Minimization and the Use of Environmentally Preferable Products:** The concessionaire shall attempt to minimize the use of hazardous materials in its operations with the purpose of diminishing the amount of hazardous waste generated over time. Under Executive order (E.O.) 12856, Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements, Reclamation is required to reduce the hazardous waste generated by 50 percent by 1999. The E.O. directs Federal agencies to pass this same requirement on to the concessionaire. The concessionaire shall seek to use less toxic materials and products that are environmentally preferable as a general means to minimize hazardous waste. If the concessionaire generates more than 220 pounds per month of hazardous waste, the concessionaire must provide Reclamation with a Hazardous Waste Minimization Plan. To track any trends in the amount of waste generated, the concessionaire must provide information on all hazardous waste management (recycling and disposal) to Reclamation quarterly.

### 3. Signs

The concessionaire will install, maintain, and replace all interior and exterior signs relating to its operations and services within the assigned areas and directional signs outside assigned areas that relate specifically to concession operations. Examples include identifying the location of facilities, operating services, and hours and the concessionaire's rules or policies.

The concessionaire shall ensure its signs are compatible with Reclamation sign standards as described in Reclamation's Sign Guidelines. Sign size, style, color, and location shall be submitted for Reclamation approval before installation. No handwritten signs shall be permitted within the concessionaire's area of responsibility except on a short-term, interim basis.

Reclamation may install signs within the areas assigned to the concessionaire.

#### 4. Snow Removal

The concessionaire shall clear ice and snow and sand all walkways, roadways, and parking areas within its assignment zones as necessary to make access reasonably safe for the visiting public, concessionaire employees, Reclamation emergency operations, and concessionaire maintenance and support operations. Reclamation must preapprove the use of chemical or foreign material deicers.

#### 5. Litter and Garbage

- a. **Sanitation:** The concessionaire shall provide an effective system for the collection and disposal of garbage and trash within its areas of responsibility. The concessionaire shall keep assigned areas free of litter, debris, garbage, abandoned equipment, vehicles, furniture, and fixtures. Refuse shall be stored in receptacles that are covered, waterproof, bearproof, and verminproof.

These containers will be kept clean, well maintained, and serviceable; sites will be free of spills, waste, and odors. To prevent pest attraction and breeding, all wet garbage from concession operations will be adequately bagged and tied or stored in sealed containers. Waste must not accumulate in trash containers to the point of overflowing. Trash containers shall be conveniently located and in sufficient quantity to handle the needs of the area. The concessionaire will place cigarette receptacles at heavy use locations within assigned areas.

Trash and garbage containers should be painted light brown or tan to distinguish them from Reclamation receptacles.

All materials generated as solid waste must be removed from areas at the concessionaire's expense and disposed of in an appropriate manner in an approved site. Applicable State and local codes shall also be followed.

- b. **Solid Waste Minimization:** The concessionaire shall implement policies and practices consistent with the area's solid waste minimization program and target reduction goal. As an example, the area is seeking to minimize the volume of solid waste sent for landfill disposal by 25 percent. The concessionaire shall provide Reclamation with a written solid waste minimization plan. Special consideration should be given to the type of packaging and containers that is used in products offered for sale to visitors. If the concessionaire collects and hauls its solid waste, the concessionaire shall provide Reclamation quarterly with information regarding the amount of solid waste generated and the amount of material recycled.



## 6. Grounds and Landscaping

In cases where grounds and landscaping activities require temporary modification or relocation of structures assigned to the concessionaire, the concessionaire shall carry out the temporary modification or relocations at its expense.

- a. **Landscaping and Use of Native Vegetation:** The concessionaire shall prepare a written landscaping plan for each land assignment area and submit it to Reclamation for approval. The plan will include general statements regarding the desired regime (manicured, natural, etc.) and condition of the area and subareas, as appropriate. It should include specific information, including locations and scope of work proposed, safety and resource considerations, debris disposal, and proposed use of irrigation systems. The appropriate use of native vegetation, the need for revegetation or restoration efforts, and the potential existence of cultural landscapes should be considered during this planning phase.
- b. **Integrated Pest Management:** The concessionaire shall conduct its activities in a manner that minimizes impacts on the natural or cultural environment. Chemicals, pesticides, and toxic materials and substances will be used as a last resort in an Integrated Pest Management Plan (see Chapter 7, Operating Plan) and be preapproved by Reclamation.
- c. **Drainage and Stormwater Pollution Prevention:** The concessionaire shall implement Best Management Practices to prevent the degradation of water quality in stormwater and other runoff from facilities assigned to the concessionaire. Erosion controls must be implemented at construction sites with disturbed soils exposed. Vehicle and equipment washing must not be allowed to result in untreated run-off water; oil/water separation must occur before discharge. Any improvements to drainage systems must be made in accordance with Federal, State, and local regulations.

The concessionaire shall ensure proper drainage control to protect landscapes, native vegetation, structures, facilities, improvements, and equipment while maintaining natural drainage patterns to the greatest extent possible.

- d. **Hazard Trees:** The concessionaire will remove trees within the concessionaire's assigned areas that have been identified by Reclamation as hazardous. Such trees and other trees requiring removal will be approved for removal in advance by the area manager by means of a written authorization, which shall serve as a removal permit.
- e. **Vegetative Cuttings Recycling:** The concessionaire will remove accumulated debris. The concessionaire should use creative methods of recycling natural debris, such as chipping woody materials for use as compost, dust control, and resource mitigation material. The

concessionaire will remove slash buildup from around buildings in their assigned areas to prevent fires and to comply with State, county, and local codes.

- f. **Resource Protection and Site Restoration at Construction Sites:** As facilities are removed or sites become heavily impacted by construction activities or overuse, the concessionaire shall prepare and implement a site restoration component of each landscaping plan. The area offices will provide advice and assistance during the preparation of these plans. Written approval from Reclamation is required before plan implementation.

## **7. Roads, Trails, Parking Areas, and Walkways**

The concessionaire shall maintain roads, parking areas, curbing, sidewalks, walkways, and trails within its assigned lands in a state of good repair and in a manner that provides reasonable access to the general public, persons with physical disabilities, and emergency and service vehicles. In all assigned areas, the concessionaire shall sweep, sign, and paint curbs and striping surfaces on a recurring schedule to ensure that public areas are consistently clean and free of litter and earthen debris and are well marked. Striping plans must have written approval from Reclamation before implementation.

The concessionaire will control dust within the concessionaire's land assignment and dust that results from concessionaire use outside the concessionaire's land assignment.

The concessionaire shall develop an exterior lighting system plan that addresses installation and maintenance of directed lighting systems that provide the minimum necessary lighting for nighttime walking in assigned walkway areas. This lighting system plan shall be submitted to Reclamation for review and approval.

The concessionaire shall maintain trails assigned for its use.

## **8. Firewood**

The concessionaire shall acquire fully cured firewood from outside the area or as otherwise approved by Reclamation for use in assigned facilities. Reclamation encourages the use of lower emission composite fuels when and wherever possible.

To minimize hazards associated with fuel wood storage, the concessionaire will store wood away from existing structures and will comply with instructions provided by Reclamation's fire management staff.

## 9. Utilities

As systems or equipment need to be replaced, serious consideration shall be given to the use of products and technologies that reduce impacts, conserve resources, and improve efficiencies, including electric peak load shedding and the use of alternative fuels.

- a. **Electrical:** The concessionaire shall maintain all electrical lines and equipment (conduit, fuses, panels, switches, transformers, lines, etc.) down line from the meter within all concessionaire land assignments and all fixtures (lamps, cords, and equipment) affixed to the secondary electrical lines.

The concessionaire shall repair or replace any electrical system damaged within assigned areas or damaged beyond the concessionaire assigned areas if the damage is the result of negligence of the concessionaire or its employees while working or operating concessionaire equipment.

The concessionaire will ensure that all electrical circuits under its control meet or exceed the standards of the National Electric Code.

The concessionaire shall develop and implement a plan to reduce its consumption of electrical energy. This plan shall be annually submitted to Reclamation for review and approval.

- b. **L.P. Gas Systems:** The concessionaire shall repair and maintain, according to NFPA codes, all L.P. gas systems in its assigned areas. This includes, but is not limited to, tanks, bottles, regulators, and piping.

The concessionaire will conduct and document semiannual inspections of its gas storage and distribution systems.

Placement of new or additional tanks must receive prior written Reclamation approval. An independent inspector, at the concessionaire's expense, must inspect all gas installations.

- c. **Water:** The concessionaire shall repair and maintain water service and building plumbing systems down flow from the meter within the concessionaire land assignments or as shown or described on land assignment maps. The concessionaire shall repair or replace any damage to the water system within assigned areas and damage occurring beyond the concessionaire assigned areas that results from negligence of the concessionaire or its employees while working or operating concessionaire equipment. The concessionaire shall also maintain all fixtures attached to the water system within all buildings and structures.

The concessionaire shall implement water conservation measures as needs arise. As replacement of fixtures is needed, the concessionaire shall obtain and install low-flow and water conserving fixtures.

The concessionaire will provide for the daily monitoring and periodic sampling of water systems in its assigned areas.

- d. **Sewage:** The concessionaire shall repair and maintain all sewage lines, connections, disposal systems, and appurtenances within the concessionaire land assignment to the sewer collection main or as shown and/or described on land assignment maps. The concessionaire shall repair any damage to the sewage disposal system within assigned areas and damage occurring beyond the concessionaire assigned areas that results from negligence of the concessionaire or its employees while working or operating concessionaire equipment.

The concessionaire shall maintain, repair, and replace fixtures attached to the sewage disposal system (including sinks, toilets, urinals, and dishwashing equipment).

The concessionaire shall install and maintain grease traps as necessary to ensure that grease does not flow into wastewater systems. Reclamation will bill the concessionaire to recoup costs for clearing or replacing sewer lines and cleaning lift station wet wells clogged by heavy grease accumulation when directly related to the concessionaire's operations.

The concessionaire shall provide chemical toilets at designated areas associated with the concession operations (e.g., golf course, horse stable, and raft takeout). The concessionaire will also provide for the proper operation and maintenance of composting toilets.

- e. **Telephone Service:** The concessionaire shall contract directly with commercial telephone operators for phone service to its assigned facilities. Agreements with commercial providers shall be in accordance with guidelines provided by Reclamation. The concessionaire shall be responsible for all on-premises equipment and wiring.
- f. **Seasonal Operations:** The concessionaire will drain all water and sewer lines that are defined above as the responsibility of the concessionaire and take all necessary steps to prevent damage from freezing. All water and sewer lines will be charged and tested for leaks before opening.

The concessionaire shall comply with Reclamation's annual guidelines when reopening and repairing drinking water distribution systems.

## **F. RECLAMATION RESPONSIBILITIES**

During the execution of any Reclamation responsibilities indicated below, should Reclamation disrupt areas or lands within the concessionaire's assigned lands, Reclamation shall provide mitigative signing, barriers, and revegetative efforts as needed.

Reclamation will interface with the concessionaire's maintenance program by executing the following responsibilities:

### **1. Improvements Assigned to the Concessionaire**

Reclamation will not physically maintain Government or concessionaire improvements assigned to the concessionaire. Reclamation will provide staff review of concessionaire plans and proposals, inspection and evaluation of concessionaire processes and programs, and technical advice and assistance when requested and as resources allow.

### **2. Signs**

Reclamation will install, maintain, and replace all regulatory signs that serve the interest of the Government. Reclamation will provide direction and assistance to the concessionaire during the design and installation of all approved signing. Reclamation's Sign Guidelines must be used as applicable.

### **3. Snow Removal**

This paragraph needs to mesh with the concessionaire snow paragraph. Also, if snow removal is being sold to the concessionaire, provisions must be made as to price and availability.

As resources are available, Reclamation shall remove snow from all roads and parking areas within the area, including access ways to concession facilities that remain open during the winter months and which are outside that area assigned to the concessionaire. Reclamation will hold (usually in the fall) an annual meeting to develop a snow removal plan and priority schedule for Reclamation plowing operations; a representative of the concessionaire may attend.

### **4. Litter and Garbage**

This paragraph needs to be aligned with the related concessionaire paragraph.

Reclamation will ensure, either through its own actions or through those of a contractor, that reliable, regularly scheduled garbage pick up is available in the area, except within concessionaire assigned areas.

Reclamation will provide direction and guidance to the concessionaire regarding procedures and methods for keeping concessionaire refuse away from area wildlife.

## 5. **Grounds and Landscaping**

Reclamation will identify and periodically monitor hazardous trees in the area. Reclamation will also remove hazardous trees in the area that are outside the concessionaire's land assignment. Reclamation will review the concessionaire's landscaping plans, provide standards as needed, review and approve (if appropriate) proposed work, and monitor concessionaire projects.

Reclamation may make available to the concessionaire, when no cost to Reclamation is incurred, designated sites where limbs and other legally burnable forest debris may be transported for disposal.

## 6. **Roads, Trails, Parking Areas, and Walkways**

Reclamation will maintain appropriate roads, parking areas, curbing, sidewalks, walkways, and trails in the area, except those within the concessionaire's area of responsibility as shown on the land assignment maps. Reclamation will review the concessionaire's maintenance plans, provide standards as needed, review and approve proposed work where appropriate, and monitor concessionaire projects. Use of assigned trails by the concessionaire is subject to specific terms and conditions as may be developed by the area manager for mitigation of impacts caused by the concessionaire.

## 7. **Utilities**

- a. **Electrical:** As necessary, Reclamation may provide electrical service to the concessionaire at rates established by Reclamation based upon anticipated actual operating costs or comparability, whichever is greater. Reclamation will allow commercial electrical service to be available at all locations assigned to the concessionaire where the provision of electrical service is indicated in general management planning documents.
- b. **Water:** Reclamation may supply potable water to concessionaire assigned areas to the extent possible using existing water systems. Reclamation will charge a fee to be determined annually through a calculation of anticipated costs or comparability, whichever is greater.

Reclamation will provide bacteriological monitoring and chemical analysis of potable water as required by applicable law or policy. Reclamation will provide training and review the concessionaire's daily monitoring procedures and process water samples taken by a concessionaire if necessary.

Reclamation will furnish water service, connections, meters, and shutoff valves. All piping and appurtenances down flow from the meter or as shown or described on land assignment maps shall be the responsibility of the concessionaire to operate, repair, and maintain.

- c. **Sewage:** Reclamation may provide wastewater treatment and collection services to concession assigned areas or as described or marked on land assignment maps. Reclamation will charge a fee that is to be determined annually through a calculation of actual costs or comparability, whichever is greater.

Reclamation shall assume responsibility for waste water collection at the sewer main where major points of collection occur and operate and maintain lift stations and wastewater treatment facilities, including the pumping of sealed vaults within lands assigned to the concessionaire.

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# CHAPTER 7 – CONCESSIONAIRE RATE APPROVAL PROGRAM

## OVERVIEW

This document and its attachments describe and outline the various components of the Bureau of Reclamation (Reclamation) Concessionaire Rate Approval Program. The separate sections cover the entire spectrum of the program in detail.

### A. PROGRAM GOALS AND OBJECTIVES

The following guidelines provide direction that pertains to rates charged the public. The goal of the Rate Approval Program is to ensure that rates charged by concessionaires are reasonable. The reasonableness of concessionaires' rates will be judged primarily by comparison with the competitive marketplace with due consideration for operating differences. This is accomplished by review and approval or adjustment of concessionaire rates. Such rate reviews are to be based on studies conducted in accordance with the authorized Reclamation rate approval procedures.

The objectives of the Rate Approval Program are to conduct an analytical process and to review and approve concessionaire rates that:

- Are defensible, valid, and reliable.
- Reflect the competitive marketplace.
- Ensure a consistent Reclamation-wide approach for establishing rates.
- Allow professional flexibility so that individual Reclamation areas can better manage the concession program.

### B. REQUIREMENTS

Reclamation requires preapproval of all rates charged to the public by concessionaires. Reclamation requires that those rates be comparable to rates charged for similar goods and services in the regional area. To meet this requirement and to ensure consistency and accountability, the following procedures, steps, or processes are required of all Reclamation employees who have responsibility for approval of concessionaires' rates.

There are five methods identified in detail in this chapter for approving rates that an area manager can use to determine appropriate rates. The selection depends mostly on the type of product or service being sold and the local situations impacting the business. Those methods are direct comparability, merchandise pricing, contract specified rate, competitive market declaration, and financial analysis and indexing.

A written annual rate schedule is to be developed and must be maintained by the area office. A copy should be provided to the concessionaire and others on request. The schedule should be very specific as to what is provided for the price charged. When conducting the direct comparability method of rate approval, there are 12 steps to be completed and documented as outlined in detail in the Rate Approval Program.

Reclamation employees who have rate approval responsibilities must have received formal training in rate approval. If disagreements cannot be solved locally, a regional director is the highest authority to whom a concessionaire can appeal rates or the way the Rate Approval Program is conducted. The required appeal process is outlined in the Rate Approval Program.

There are specific criteria that must be analyzed for each of the six types of businesses to determine comparability for rate approvals. The six types of businesses are lodging, food and beverage, campgrounds, marinas, tour operations, and gasoline stations. The criteria are outlined in detail in the Rate Approval Program.

Concessionaires may be permitted to pass on to the public those utility costs that are in excess of similar costs paid by comparable businesses outside the recreation area. Allowable components of product cost that can be passed along to the public and procedures for computing the final cost are outlined in the Rate Approval Program. Area offices do not have the option of allowing a concessionaire to pass on costs that are prohibited.

Once actual comparables are determined, extra quality features, which are used to identify the approximate value and comparable rate for the concession facilities, must be analyzed. The process is outlined in detail in the Rate Approval Program.

Reclamation, in conjunction with the concessionaire, must approve reservation and refund policies for lodging at the same time that annual rates are approved.

When approving rates on retail merchandise, it is appropriate to round up or down to arrive at a final rate. Specific guidelines on Reclamation-wide increments for rounding are in the Rate Approval Program. Although rounding is optional, the procedure for accomplishing it is mandatory.

These requirements are all outlined in detail in this chapter and will help Reclamation realize the objectives of the Rate Approval Program.

## **C. RESPONSIBILITIES**

An outline of the various responsibilities of all the offices and entities involved in the Rate Approval Program is presented below. The methods and procedures for accomplishing certain tasks and meeting responsibilities will be identified and discussed in more detail in the Rate Approval Program.

**The Office of Program and Policy Services will:**

- Establish and update policy.
- Review and report on the adequacy of the program.
- Coordinate training.
- Contract for services.
- Develop Memoranda of Understanding.
- Coordinate with other agencies.
- Develop and disseminate technical support data.

**Regional offices will:**

- Provide the final level of appeal, review, and decision for concessionaire rates.

**The Technical Service Center will:**

- Provide technical program support to areas as requested.
- Review and act on area office requests to use indexing or financial analysis to approve rates.
- Maintain and distribute, on request or on an annual basis, comparability data and various indexes.
- Provide direct assistance, upon request, to area and field offices in the completion of rate approval studies.
- Make determinations regarding the appropriate markup classification of retail sales items when discrepancies are noted between offices.

**Area offices will:**

- Establish an annual time frame in which concessionaires should request rate actions.
- Determine the appropriate rate approval method if there is a fully qualified employee available. If a fully qualified employee with the required training is not on staff, the regional office should identify the method to be used. Area office staff should obtain assistance and guidance from the regional office or the Technical Service Center if they use the indexing or financial analysis methods of rate approval.

- Perform rate approval studies, approve rates, and maintain current rate schedules for all services provided by concessionaires.
- Monitor compliance with approved rates through the Concessions Review Program.

**Concessionaires will:**

- Submit rate requests that are timely, accurate, and thorough.
- Comply with the established appeal process.
- Adhere to approved rates.

## **D. RATE APPROVAL METHODS**

The following information describes, in brief, the five approved methods that the area manager may use when reviewing a concessionaire's rate request. Each of the five methods has specific applicability depending upon the combination of the different types of services, products, and operating situations with which a concessionaire operates. The methods mentioned below are ways to establish rates charged by concessionaires.

### **1. Direct Comparability**

This procedure requires that Reclamation collect information from businesses outside the recreation area that are identified as potential comparables and that are similar to the concession operation. This information is then analyzed and those properties that are determined to be most similar are used as actual comparables in the assessment of the concessionaire's rate request. These data are used primarily in approving rates to the public for lodging, food, beverage (see core menu portion of exhibits section of this concessions rate approval chapter for options), gasoline, marinas, transportation, and campgrounds.

### **2. Merchandise Pricing**

On a Reclamation-wide basis, markups (percentage increase above wholesale to arrive at the retail price to the customers) for specific merchandise categories are established and provided by Reclamation for use by the concessionaire in calculating rates for grocery, convenience, and gift operations. This permits Reclamation and the concessionaire to quickly arrive at approved rates for thousands of retail sales items. These markup guidelines are determined and updated annually through a compilation of nationally published industry statistics. The application of this method involves pricing merchandise by using the concessionaire's documented product cost multiplied by the percentage determined. Reclamation will conduct compliance reviews of concessionaire invoices on random products to verify that correct pricing is used.

### **3. Contract-Specified Rate**

This procedure establishes the approved rate(s) as part of the contracting process. Rates are actually incorporated into the wording of the contract and are initially determined by direct comparability, competition in response to a prospectus, or negotiation with a successful bidder. Annual price changes are initiated based upon a previously identified subindex of the consumer price index (CPI) provided by the Department of Labor, Bureau of Labor Statistics. This method is used when there are a limited number of items or services, no comparables are readily available, or the method is determined by the area office to be advantageous to the Government. The Technical Service Center will provide this CPI data upon request.

### **4. Competitive Market Declaration**

This method provides a process by which Reclamation determines that the pricing of a specific item or service is not related to or enhanced by a specific area. Such items and services include those in a highly competitive market, negotiated sales items, or unusual items (such as antiques) wherein value is unrelated to the place where they are sold. For these items or services, a declaration is made that further rate reviews are unnecessary because the concessionaire's pricing must be competitive to secure business and is, therefore, comparable. The declaration must be reviewed annually to ensure that significant changes have not occurred in the marketplace that would necessitate the use of another rate approval method. This review process must be documented. The area manager may rescind the use of this method if it is determined that the competitive situation has changed or if another method appears to be more appropriate.

This method works well in many urban areas where there is a significant level of external competition. Since the administration of a competitive market declaration requires a low level of Reclamation involvement, it is encouraged unless it is apparent that rates will escalate beyond the external competitive environment.

### **5. Other**

Almost all rate approval actions in Reclamation will fall within one of the above four methods, but there may be occasions when a service, product, or situation precludes successful use of these methods. In those situations, Reclamation may approve rates using either the CPI in a process called indexing or Reclamation may use a financial analysis process. Each method is very limited in its application and requires consultation with Reclamation officials beyond the area office level.

## **E. UTILITY COST ADD-ON**

When Reclamation provides a concessionaire with utilities (electricity, water, sewer, solid waste removal) at a rate higher than comparable utility charges in the private sector, the concessionaire may be permitted to recoup utility costs above comparable utility charges. This can be done by adding a surcharge unless the competitive market declaration method is employed. When using the direct comparability method, it is critical that the comparable (outside) charges are those from actual comparables if the actual utility charges from the recreation area are higher than those outside the area.

Where federally owned resources or property is used, a fair market value should be obtained. Charges are to be determined by the application of sound business management principles so far as practicable and feasible in accordance with comparable commercial practices. Charges need not be limited to the recovery of costs; they may produce net revenues to the Government.

Utility rates based on operating costs (not including existing capital investments) or comparability, whichever is greater, can pass through costs exceeding comparability.

Utility charges can be adjusted (no lower than comparability) where operating costs are extraordinarily high and it is not practical to pass charges through in total to the visitor through price increases (i.e., allow adjustments to rates in excess of comparability when the economic viability of the concessionaire would be jeopardized).

### **1. Procedures**

Since utility rates are to be based on actual operating costs or comparability, whichever is greater. Determinations of utility costs by both methods (comparability and operating costs) must be completed and kept current. Determinations by both methods will be made at the area office level with the regional director's review and approval.

If it is determined that utility charges are greater using the operating cost method rather than the comparability method, concessionaires will be allowed to increase the prices they charge visitors for goods and services. The increase will allow concessionaires to recover those costs that exceed comparable utility costs by passing such excess costs directly to the actual users—the visitors.

### **2. Utility Charge Exception**

A utility charge exception may be applied when the utility cost add-on is so high that consumers begin to resist. At this point, higher item prices are offset by reduction in the number of items sold. The visitor suffers excessive prices, and the concessionaire suffers lost current sales and lost repeat business. There is no hard and fast rule as to when resistance might begin; there will be differences

according to the types of goods and services involved, the type of clientele, and the part of the county. The sales mix of the concessionaire will greatly affect the flexibility with which increases can be applied.

The utility charge exception procedure may be used when charging actual costs for utility services would create a financial burden and would frustrate the ability of Reclamation to carry out its responsibilities to preserve, protect, and provide for the public's use and enjoyment of Reclamation lands.

Authority to approve reduction of utility charges on the basis of a utility charge exception is reserved to the regional director.

The following guidelines will apply:

- a. As a general rule, price increases of 15 percent or less should not create an improper competitive situation.
- b. Add-ons must be spread over as wide a range of goods or services as possible, thus reducing the per item increase. It is not acceptable to concentrate price increases in a narrow range of items to produce an artificial need for the utility charge exception.
- c. Items on which the manufacturer has printed a suggested resale price are not amenable to sale above that price.
- d. Low profit, high dollar volume merchandise such as gasoline is not amenable to large increases.
- e. Merchandise prices approved under a Competitive Market Declaration should not be subject to add-on for utility rates.
- f. Price increases based on utility charges that occur at about the same time as increases based on "normal" market comparability may have a combined effect that creates consumer resistance. In such circumstances, it may be prudent to limit the combined increase to 20 percent at one time and phase the remaining portion of the utility charge increase.

## **F. MISCELLANEOUS**

### **1. Reduced Rates to Government Employees**

These rates can be provided by the concessionaire only while the government employees are conducting official business and only when they benefit the Government by lowering travel expenses, permitting more effective program control, and maximizing use of Federal funds. The amount of a discount is based on the Federal Government published per diem rate or a percentage discount. Reduced rates must be made part of the concessionaire's approved rate schedule.



## **2. Reservations**

Concessionaires should develop reservation procedures, including standards for deposits and cancellations that are patterned after industry standards or those businesses that are used as comparables. Conditions under which deposits will be refunded or cancellation fees charged will be stated in detail in the concessionaire's approved rate schedule and advertising material. Reservations may not be accepted more than 2 years in advance for accommodation facilities or services such as lodge rooms, trail rides, river runners, or houseboats. Capacity limits should be considered when accepting reservations.

## **3. Appeal Process**

If a concessionaire disagrees with the findings of a rate study, including recouping pass-through costs, there is a right to appeal. An appeal should be processed only after reasonable efforts have been made to work out the concessionaire's disagreement(s) with the area manager. Appeals should be made in the form of a letter to the regional director, through the area manager, stating the concessionaire's desire to appeal to the regional director. The letter should clearly state the concessionaire's objection to the rate study determination(s) and should include a rationale and supply sufficient data and support information.

The area manager will immediately forward the letter of appeal to the regional director. The area office will provide local comments relating to the concessionaire's objections and sufficient support to justify the area office position relating to each issue of the appeal. The determination of the regional director, through the area manager, will be final. Until the regional director has rendered a decision, the rates charged by the concessionaire for the services in question will remain as currently approved.

The decision of the regional director is returned to the concessionaire through the area manager. If the regional director has changed the area manager's action, the memorandum will become an amendment to the area manager's approved rates. The entire appeal review should be acted upon in a timely manner.

## **G. IMPLEMENTATION**

After the area manager has approved the rates, the following actions and procedures should be implemented.

### **1. Rate Schedule**

A written rate schedule should be developed by the concessionaire and maintained by the area office. A copy should be provided to the concessionaire and to others upon request. The schedule should be very specific and clearly show what is provided for the price charged. At the bottom of each page should

be printed: “These rates are to remain in effect until specific changes are approved by the area manager.” At a minimum, the schedule should include, as applicable:

- Portion size, including meal components, prices for children and senior citizens, seasonal rates, length of time for which equipment can be rented, charge per person, charge for single or double occupancy, charge for an extra bed or crib, seasonal rates, tour destination, and stops.
- Reservation deposits and cancellation refund amounts.
- Group and package rates.
- Reduced rates for Federal employees.
- Approved rates displayed separately from add-ons, such as a utility add-on.

## **2. Advertising Material**

The area manager must approve all advertising, brochures, and other concessionaire promotional materials to ensure that facilities and services are properly described and rates conform to those approved.

## **3. Compliance with Approved Rates**

Using the evaluation program, rates should be monitored when evaluating facilities and services.

# CONCESSION RATE APPROVAL METHODS

This program is designed to provide an indepth understanding of the procedures for processing concession rate requests. It is a “how to” guide for conducting a comprehensive and professional rate review action. It can also serve as a reference document on some points of debate between Reclamation and the concessionaire. Procedures outlined here are suggested to ensure accountability, Reclamation-wide consistency, and accuracy.

The area manager will exercise his or her authority in a manner consistent with a reasonable opportunity for the concessionaire to realize a profit on his operation as a whole, commensurate with the capital invested and the obligations assumed.

The reasonableness of a concessionaire’s rates and charges to the public shall, unless otherwise provided in the concession contract, be judged primarily by comparison with those rates and charges current for facilities and services of comparable character under similar conditions in the region. Due consideration shall be given to length of season, provision for peakloads, average percentage of occupancy, accessibility (remoteness), availability and costs of labor and materials, type of patronage, and other factors deemed significant by Reclamation.

The basic principle is the concept of comparability. This concept applies not only to the establishment of rates for concessionaires in the Reclamation system, it is used throughout the country for rate determinations in areas where an agency, commission, or other entity is required to approve or authorize rates for goods or services that might otherwise not have normal marketplace controls.

Concessionaires may operate in an environment where there is little or no competition that would restrict or otherwise mitigate aggressive pricing.

When businesses are required to function under the approval of another entity they are known as “regulated monopolies.” In this case, Reclamation is the regulator of concessionaire rates. If rates are approved that are in excess of comparables, Reclamation is responsible because of its responsibility to approve final rates. Reclamation may still approve a rate in excess of comparability because of other factors deemed significant enough for the concessionaire to receive compensation above comparability for operating expenses identified as in excess of comparable facilities. An example of this application is the adjustment to recapture utility charges demonstrated as being in excess of those paid by the actual comparables. Other concessionaire expenses may also result in rate add-ons, but such add-ons must be supported and justified through proper documentation and must be approved by Reclamation. If it is determined that the additional costs are unnecessary or the result of poor business decisions, Reclamation will not approve additions to the comparable rate.

This program will cover authorized methods and procedures for approving concessionaires’ rates, how to implement and conduct the procedures and processes to determine appropriate rates, and actions that a concessionaire may take in appealing a

Reclamation rate decision. There are six approaches or methods that can be used by Reclamation for approving rates. These methods are reviewed in the following pages. The first four methods may be selected and performed locally using the following guidelines. The last two methods that are listed under “Other” require some specialized skills and a higher level of approval to use.

# DIRECT COMPARABILITY STUDY (METHOD 1)

Direct comparability is the only method that relies on an actual review, analysis, and recommendation at the local level. All other methods introduce national or regional figures, percentages, or averages and require some computation or other application to local situations.

The direct comparability method can apply to the full range of concessionaire charges, with the exception of gifts, souvenirs, groceries, and other merchandise. It is the most complex and widely used application.

## A. METHOD DESCRIPTION

Under the direct comparability method, the area manager is responsible for directly evaluating an array of generally similar business establishments, or potential comparables. From that group, several are selected that are most similar to the concession and that will serve as the actual comparables. Once that step is completed, the approved rates for the concessionaire may be established by comparison with the actual comparables' rates, taking into consideration appropriate operating differences.

The direct comparability study method correlates the concessionaire's rates to those in the competitive marketplace and offsets the possibility of monopoly pricing. By establishing approved rates for the concessionaire based on a review of similar services operating under similar conditions, it is possible to ensure that the concessionaire's rates are locally comparable.

Establishment of the concessionaire's approved rates under this method involves (1) identifying those businesses that will serve as actual comparables based on the degree to which they are similar to the concessionaire's operation and (2) a review of the concessionaire's rates compared to rates charged by the actual comparables, taking into consideration operating differences.

Identification of comparables need not be done each time the concessionaire proposes new rates. Comparables, once selected, may be used for several years, and the rate approval process can proceed to a review of the proposed rates based on updated pricing information. It is important to verify that the operating conditions of neither the comparables nor the concessionaire have changed significantly.

Reclamation has two variations of the direct comparability method from which to select. First is the *full review* process that actually requires an onsite visit to collect data. Second is the *limited review* process, which permits the collection of the same data by telephone or through correspondence. Typically, the full review is used for more complex operations such as hotels, full-service restaurants, and large marinas where a thorough inspection of operating conditions and business impacts is possible only on location. The limited review process is normally used for smaller, less complex operations such as snack bars, service stations, and a few boat rentals. Another important application of the

limited review process is the annual gathering of new data to update a full review. Such updates normally can be done several times before another full review is required. Full reviews are more time consuming than limited reviews, but the same information is gathered and evaluated.

The decision to conduct a full review is made locally and depends on many factors, including the level of agreement between Reclamation and the concessionaire, changes in comparables and concession operations, and major changes in the quality of properties.

The selection of actual comparables is the cornerstone of the process. Potential comparables are any business enterprises or establishments suggested by either the concessionaire or the area manager as a candidate. Potential comparables should be similar enough to the concessionaire's operation to be used in approving rates. Actual comparables (throughout this document, the term "comparables" refers to actual comparables; when referring to "potential comparables," the whole term is used) are defined as those businesses selected from the potential comparables. Their selection is based on analysis of all data collected to determine the degree of similarity to the concessionaire's operation. Selection is the responsibility of the area manager and the concession's management personnel. The determination must be based on a thorough analysis and must include supporting justification. If the concessionaire disagrees with the selections, the decision may be appealed to the regional director.

Selection of comparables is followed by Reclamation review and formulation of recommendations for approval or disapproval of the concessionaire's requested rate. This involves the direct comparison of the proposed concessionaire rates and the quality or level of service with the rates charged for similar services by the comparables. The area manager should include a review of extra quality features. These are additional attributes that add value. Extra quality features for both the concessionaire and the potential comparables should be documented. The purpose of including extra quality features information is to more accurately determine the value provided by the concessionaire relative to the comparables. This helps the area manager determine where the concessionaire's rates should fall within the range of rates charged by the comparables. Extra quality features are not intended to be used in the process of selecting actual comparables but only to analyze the variables between the actual comparables. (See Exhibit 8 for a list of the applicable extra quality features.)

Area offices can develop specific extra quality features information that has particular local applicability. To ensure program consistency and adherence to policies and guidelines, extra quality features lists should be submitted to the regional office.

Based on a review of the actual comparables' rates and extra quality features, a comparable rate can be developed for each of the concessionaire's services. The comparable rate is defined as the rate that would be approved by the area manager based strictly on comparison to similar operations outside the area. Occasionally, other factors come into play, and concessionaires incur specific operating costs not shared by the comparables. Reclamation will consider other factors deemed significant and adjust rates based on those factors. Examples include added utility costs; additional transportation charges for food, gasoline, or other products because of the distance from suppliers; and

the cost of providing employee housing. The area manager ensures that any such adjustments to the comparability rates are justified. The concessionaire is responsible for providing the documentation to support requested adjustments.

The direct comparability study method provides specific criteria to be applied in the selection of comparables for:

- Overnight accommodations.
- Food and beverage services (Exhibit 1: Core Menu Food and Beverage Service Rate Approval Process).
- Campgrounds.
- Marinas.
- Tour operations.
- Gasoline service stations.

In addition, examples of extra quality features specific to those types of businesses are included. The criteria established for each of the six types of operations identified should be used uniformly for all comparability studies to provide Reclamation-wide consistency.

Development and application of additional extra quality features are left to the discretion of the area managers. This provides the latitude for consideration of individual or local operating circumstances and the identification of particular features that are considered important in a particular geographic area.

The following are required steps that must be documented by Reclamation in accomplishing a full or limited review by the direct comparability method. The steps followed by two asterisks (\*\*) are not necessary for limited reviews or updates of full reviews.

1. **Determine Study Level.**—Is it a full or a limited review? If limited, specify whether it is an update of a full review or a limited review.
2. **Develop a List of Potential Comparables.**—This step may not be necessary if the study is intended to update a full review. If it is a new full review or a new limited review, Reclamation and the concessionaire should develop a list of potential comparables. Reclamation must be very clear in explaining the difference between potential and actual comparables.\*\*
3. **Make Contact by Phone or Mail with Potential Comparables.**—This should be done as a courtesy to business people to be visited and can be done by telephone or in written correspondence. An appointment can be arranged and the purpose of the visit explained. This type of precontact

can be valuable in paving the way for accurate information collection. For a limited review or an update of a full review, information collection can take place during this step.\*\*

4. **Visit Potential Comparables.**—This step can be omitted for a limited review or an update of a full review. Visits must be conducted in a professional manner to ensure accurate data collection. Concessionaires should be invited and encouraged to accompany Reclamation personnel on these visits.\*\*
5. **Compile Data Collected.**—All the information collected through visits, correspondence, and telephone calls must be compiled and analyzed. If done properly, this data collection and analysis will result in the best possible selection of actual comparables. Reclamation is required to complete a comparability matrix as part of this analysis (the matrix will be described in detail below).\*\*
6. **Select Actual Comparables.**—Selection of actual comparables follows the analysis. In general, there should be a minimum of three actual comparables.
7. **Indepth Analysis of Actual Comparables.**—This stage focuses entirely on the actual comparables selected. Other factors deemed significant and extra quality features are thoroughly reviewed as part of determining where the concessionaire falls along the range of actual comparables.\*\*
8. **Rate Request from Concessionaire.**—Rate requests can be submitted at any agreed upon time, but the actual rate request review is not addressed until indepth analyses of actual comparables have been completed. Certain minimum standards for development of rate requests are to be expected and outlined to concessionaires.\*\*
9. **Rate Recommendation to Area Manager.**—The rate recommendation provided by area office staff should be written and should include an executive summary of the process and the information collected. Some recommendations are long and complex for large operations, while others may be fairly simple and short for small businesses in remote areas.\*\*
10. **Notification to Concessionaire of Approved Rates.**—This should be similar in form to and contain the same information as the rate recommendation given to the area manager. It should include any change from the rates originally requested by the concessionaire. All information should be shared with the concessionaire; any data that should not be shared should not be included in the final consideration of rates.
11. **Acceptance or Appeal.**—An appeal is an official part of the process and must follow procedures as described. The appeal of the area manager's decision is made to the regional director.



12. **Print Approved Rates.**—Approved rates are printed, and copies are retained by the concessionaire and Reclamation.

The steps marked with asterisks are addressed in more detail to provide assistance in conducting the direct comparability comparison. Several of the steps are easy and take little time, but they ensure consistency and accountability for the program throughout Reclamation.

## **B. RATE APPROVAL COSIGNER**

Reclamation concessions management employees often face major challenges during the completion of initial rate approval studies using the direct comparability method. For employees who are responsible for conducting rate approval studies as a collateral duty, sometimes without the benefit of training or qualified direction, the initial study can be very confusing and demanding. Such employees are required to have their work reviewed and their process analyzed by a qualified employee who can cosign the study.

The area office must also have the selected method of rate approval reviewed and approved by the regional office. To qualify as a cosigner, the employee must have successfully completed training. Cosigners must be full-time concession management employees and be familiar with the concession operation(s) in question. Cosigners can be staff members of other regional offices, area offices, the Technical Service Center, or the Office of Program and Policy Services. Cosigners can also be qualified contract employees. Studies conducted by new concession employees or employees without proper training must be cosigned or the study or analysis will be invalid.

The regional office or the Technical Service Center can assist in identifying a possible cosigner. Discussion and support should begin before the study. During the study, the cosigner can answer questions and provide advice. When the study is complete (but before it is submitted to the area manager with final recommendations) the cosigner must review the report for compliance with established procedures and to ensure that positions are supportable.

## **C. COMPARABILITY DETERMINATION CRITERIA**

The following criteria are used to determine the direct comparability of rate approval. They apply to only the following types of operations:

<b>Concession Type</b>	<b>Criteria Number</b>
Lodging	1-2-3-4-5-6-7
Food and beverage	1-2-3-4-6-8-9-10
Campgrounds	1-2-5-11-12
Marinas	1-2-3-4-13-14
Tours	1-15-16-17
Gasoline stations	1-3-18-19

The specific criteria are:

1. **Competition.**—Each comparable operation should have at least one competitor engaged in a similar operation (service, amenities) in the immediate area. More than two competitors would be advantageous. Comparables should be in an area that is relatively unencumbered by permits and restrictions. The comparables should not be owned by the same entity that owns the concession operation. More competition ensures greater accuracy and fairness in the pricing approval.
2. **Seasonality.**—One aspect of the level of comparability is the similarity of operations and visitation seasons in relation to the concessionaire.
3. **Similar Area (lodging, food and beverages, marinas).**—The degree to which a potential comparable is similar to the concessionaire depends, in part, on the similarity of locations. Establishments operating in differing environments should not be used.
4. **Similar Clientele (lodging, food and beverages, marinas).**—A potential comparable should serve a clientele similar to that of the concessionaire. The concessionaire serves the vacationing public almost exclusively. Properties that do a substantial portion of their business with commercial or convention clients are different from more tourist oriented concessions.
5. **Occupancy Rate (lodging, campgrounds).**—Ideally, a comparable facility's occupancy rate would be similar to the in-season occupancy rate of the concessionaire.
6. **Facility Characteristics (lodging, food, and beverage).**—A comparable facility should be examined for several characteristics, including age, building type, and construction type. Some of the features of the building could be new, renovated, or original. Building type includes high-rise (three stories or higher), low-rise (two story), single-story attached, detached rooms, cabins, and tents. The construction can be of any type, including masonry, steel, lumber, logs, and canvas. All these factors are important when comparing similarities in construction and maintenance costs.
7. **Similar Size (lodging).**—Lodging facilities of varying sizes (numbers of guest rooms) can be used as comparables even though they probably have different costs of construction and different costs of operation. Ideally, the comparable would be similar in size to the concession.
8. **Similar Sales Mix (food and beverage).**—The ideal would be for the comparable to have the same mix of alcoholic beverage and food sales as the concessionaire. Alcohol is generally a high profit producer and can impact the overall profitability of the operation. In some cases, food prices are set or influenced by a comparable based on the degree of sales activity generated by alcoholic beverages. It can be very difficult to obtain the sales mix from the

comparables, but a reasonable comparison can be made by observing and documenting the affect that alcoholic beverage sales may have on the overall operation.

9. **Similar Number of Restaurant Seats (food and beverage).**—Comparables should have about the same number of seats as the concessionaire. This can ensure similar operational costs and reflects the impacts that total seat numbers have on rates. Comparables with many more or far fewer seats do not necessarily charge more or less for menu items.
10. **Similar Menu and Number of Meals (food and beverage).**—It is important that the desired level and type of service and menu style established be documented for the area office. The menus of the comparables should be similar (e.g., fast food, family type/full-service restaurant, cafeteria, gourmet). This is important regardless of whether the full review rate study or the limited review method is used. A prospective comparable should serve the same meals (e.g., breakfast, lunch, and dinner) as the concessionaire. Any exception should be documented and made a part of the rate study.
11. **Similar Size (campgrounds).**—Campgrounds of varying sizes (number of sites) can have different operating costs. Comparability improves if the concession and the comparable have about the same number of sites.
12. **Site Type (campgrounds).**—Campgrounds may provide different areas to accommodate recreation vehicle (RV) users and tenters, or they may provide an area that combines the two. To achieve maximum comparability, it is appropriate to compare the concession operation with just the segment(s) of the comparable's operation that it most resembles. Site types can be classified and described as primarily RV (high density, small sites that are close together, tent space lacking or minimal, hook-ups provided); primarily tent (access roads narrow or steep or lacking, few level sites, no large vehicle parking, few or no hookups); and mixed use (more than half the sites are useable by RVs or tenters, average site separation is 50 feet, hookups that are level are considered an extra quality feature).
13. **Similarity of Operations (marinas).**—Length of boats, number of slips, security and protection, type of boats, number of repair and launch facilities, type of utilities, availability of dry storage, and the level of transient use should be reviewed.
14. **Construction Characteristics (marinas).**—The type of construction of the dock (floating, pilings, metal, wood), weather protection, and breakwater should be reviewed.
15. **Similarity of Operations (tour operations).**—The concessionaire and potential comparable should use the same type of equipment (car or van, bus, tram, boat) and preferably the same type of power and fuel. These affect the initial

investment and ongoing operating costs for various kinds of equipment. Additionally, the concessionaire and the potential comparable should provide the same type of guide service, whether live narrative or tape recording.

16. **Tour Length (tour operations).**—Tour comparables should be based upon the length of the tours (2 hour, half day, or full day). Extended tours should not be used as comparables for tours of short duration because fixed costs would vary (e.g., a 1-hour tour cannot be compared to a 6-hour tour by dividing by 6). When evaluating 1-day tours, significant cost factors include the time and distance traveled to provide the tour. Ideally, the concessionaire and comparables would have similar factors.
17. **Locally Important Criteria (tour operations).**—Because of the wide variety of tour types, it is appropriate for the local recreation area to identify certain criteria for comparability. Examples would be air conditioning, size and type of windows, engine noise, food or snacks provided, and restrooms on board. Local development of these criteria should specifically identify the desired levels of service or equipment. Such locally developed criteria should be reviewed by the regional office.
18. **Owner/Management (gasoline stations).**—To be most similar to the concession operation, a comparable would represent the same oil company.
19. **Type of Service (gasoline stations).**—Service stations are available in several different configurations, such as self or full service or a combination. Some are associated with convenience stores, and others are more traditional but offer varying levels of mechanical or repair services. The comparable should closely resemble the type of services that the concession provides.

## MERCHANDISE PRICING (METHOD 2)

Approved prices for retail merchandise are established by applying approved markup percentages to product costs. This method of rate approval should be used only for retail products and not for service-related items for which quality or amenities are factored into rates. This method should not be used for food and beverage items, marinas, overnight accommodations, transportation, or campgrounds.

This rate approval method uses percentages that have been obtained through a nationally recognized source (the National Retail Federation) to ensure comparability with the private sector. Some variance from the published percentages can be allowed under certain circumstances and can be approved on a case-by-case basis by the area manager.

### A. DETERMINING RETAIL PRICE

Markup percentages, markon, keystone, gross profit margins, net profits, and other terms can be confusing to those without a retail background. The terms are defined in the glossary and discussed in this chapter.

Markon percentages and markup percentages are closely related. Markon is rarely used in the retail industry and is found almost exclusively in grocery store operations. Markon represents that percentage of the selling price that is profit. Markup, which is commonly used in retail operations, is the profit percentage that is added to the product cost to establish the selling price.

Markup percentages are broken down into merchandising categories. Some merchandise sold by concessionaires may not be listed or may fit into more than one category. Concessionaires who operate in more than one recreation area sometimes use different categories for the same merchandise to determine retail rates. It is important to identify discrepancies so that the percentages can be applied consistently.

The markup percentage list is distributed annually, normally at the beginning of the calendar year. Only the most current markup percentages should be used for rate reviews. Concessionaires should be given copies of the updated percentages quickly so that new rates can be implemented. Concessionaires and Reclamation staff should agree on a reasonable implementation period and the agreement should be documented in the rate files. (The concessionaire should be given a copy of the documentation.)

The following examples outline the formulas for markup and markon percentages:

Assumptions used in this exercise:

Product cost — \$4.50  
Selling price — \$6.00  
Approved markup percentage — 33%  
Approved markon percentage — 25%

## 1. Markup

The percentage of cost that is profit is determined by subtracting the cost from the selling price, as:

$$\begin{aligned} \text{Selling price} - \text{cost} &= \text{profit} \\ \text{Profit} \div \text{cost} &= \text{markup} \end{aligned}$$

For example:

$$\begin{array}{r} \$6.00 \text{ (selling price)} \\ -4.50 \text{ (cost)} \\ \hline \$1.50 \text{ (profit)} \end{array}$$

$$\$1.50 \div \$4.50 = 33\% \text{ (markup)}$$

To determine selling price from the approved markup percentage:

$$\text{Cost} \times (1 + \text{markup}) = \text{selling price}$$

$$\$4.50 \times 1.33 = \$5.985 \text{ (selling price rounded to } \$6.00)$$

## 2. Markon

To determine the percentage of selling price that is profit:

$$\begin{aligned} \text{Selling price} - \text{cost} &= \text{profit} \\ \text{Profit} \div \text{selling price} &= \text{markon} \end{aligned}$$

For example:

$$\begin{array}{r} \$6.00 \text{ (selling price)} \\ -4.50 \text{ (cost)} \\ \hline \$1.50 \text{ (profit)} \end{array}$$

$$\$1.50 \div 6.00 = 25\% \text{ (markon)}$$

To determine the selling price from the approved markon:

$$\text{cost} \div (1 - \text{markon}) = \text{selling price}$$

$$\$4.50 \text{ (cost)} \div 1 - .25 \text{ (markon \%)}, \text{ or}$$

$$\$4.50 \div .75 = \$6.00$$

Rounding is acceptable and common. The approved procedure for rounding should be used in merchandise pricing.

<b>Retail Price</b>	<b>Round to Nearest</b>
Below \$10.00	\$0.05
\$10 to \$24.99	0.10
\$25 to \$49.99	0.25
\$50 to \$99.99	0.50
Over \$100.00	1.00

For example, if the wholesale cost is \$6.23, the retail price after 120 percent markup would be \$13.71, so the approved retail price after rounding would be \$13.70. If the wholesale cost is \$101.26, retail price after 100 percent markup would be \$202.52 and the approved retail price after rounding would be \$203.00.

## **B. VARIATIONS FROM LISTED PERCENTAGES**

The percentages provided on the approved markup percentage list are the upper range of profitability and should be used as a maximum allowable percentage.

Comparability may be achieved where retailers in a particular area price items above or below the national markup/markon percentages. This can be documented by contacting retailers in the area, and rates can be adjusted by using a limited review process. But this should be the exception and not the rule. Retail outlets have too many different types of merchandise that would have to be reviewed continually to allow this method as a routine way of approving rates.

Use of manufacturers' suggested retail prices is generally discouraged. These prices are frequently used as a marketing technique in which items are marked with a suggested price but sold at a lower price in order to appear as a bargain. It is more accurate to approve merchandise rates using the standard merchandise pricing method. Items that are universally sold at a factory printed price, such as magazines, paperback books, newspapers, film, candy bars, and some snack foods, can be sold at the pre-marked price. The concessionaire must be able to demonstrate that these items are nationally marketed at the same rate.

Unusual items or those that are not marketed in a routine manner or do not fit into the normal pricing practices may be priced using the limited review process. Antiques could fall into this category.

## **C. PRODUCT COSTS**

Merchandise on hand at the time the wholesaler announces a price change may be revalued to reflect new wholesale costs, and retail prices can be adjusted accordingly. Invoices showing price increases on these items can be used for documentation.

Cash discounts of 5 percent or less do not have to be deducted from normal product costs. The normal product cost must be reflected on the invoice, and the discount amount must be clearly indicated. Even if a discount of more than 5 percent is offered, only 5 percent may be used in calculating the retail price. Discounts above 5 percent are regarded as a reduction in the wholesale price on which the markup is based.

Documented freight costs may be added to the product cost before applying the markup or markon percentages. The concessionaire must produce explicit documentation for these expenses. An option for the concessionaire is to accurately identify average annual freight costs. With Reclamation approval, the concessionaire may propose a fixed freight cost to be added as a percentage of the wholesale cost. This method allows a concessionaire to keep the same prices on hundreds of items throughout the year as restocking shipments come in with slightly different freight costs. Adjustments are necessary each year. (See exhibit 7 for details.)

Warehouse charges may not be added to the product cost. These charges are the normal labor and other expenses incurred by the concessionaire in handling merchandise in storage and in sales outlets. Warehousing expenses can be recouped through increased sales volume resulting from lower retail prices, merchandise revalued because of documented wholesale price increases, and the convenience and availability of products.

Concessionaires may take advantages of volume discounts offered by suppliers. When requested by Reclamation, the concessionaire must provide documentation of volume discounts (the invoice and the corresponding check). This discount should be clearly documented on the invoice along with the normal wholesale cost. Markups should be based on purchase prices for the quantity that the business would normally purchase to keep the product in stock.

#### **D. COMPLIANCE REVIEWS**

Compliance reviews or rate checks should be conducted in conjunction with the operational review program to ensure that concessionaires are in compliance with merchandising rate approval requirements.



## **CONTRACT SPECIFIED RATE (METHOD 3)**

The contract specified rate method provides a process for approving and annually adjusting rates in many situations. Once the contract has been written or amended, the ongoing procedure for annual rate changes is the same as the indexing method, which is described later.

The three steps involved with this method are (1) establishing the initial base rate, (2) writing or amending the contract or permit to accommodate the contract specified rate method and very specifically spelling out the exact index to be used (see Indexing Method as described in “Other Methods,” below), and (3) following up each year, adjusting the rate for indexing as spelled out in the authorization. Indexing is not to be used for more than 5 years before the base charge rate is established.

The contract specified rate method is intended to be used when comparables are not readily available or when there are a limited number of services and a simple rate structure. The method should have practical application for charges for unusual services such as seaplane rides, mountaineering services, and river running operations and charges for the use of swimming pools, golf courses, bathhouses, and interpretive services.

This process should be determined to be administratively advantageous to Reclamation because it eliminates the need to conduct comprehensive annual rate approval reviews on activities and services that do not have adequate representative comparables. In many cases, concessionaires favor this method because it provides a definitive process that they can use when determining annual rates and projecting future rates. It also requires minimal preparation before establishing new rates. Once the appropriate CPI is known, the concessionaire will be able to immediately determine the new rates. (See “Other Methods,” below.)

### **A. ESTABLISHING THE INITIAL SPECIFIED RATE**

The Reclamation representative making this determination should use any reasonable means to establish a rate that will be fair to visitors and provide a reasonable opportunity for a profit to the concessionaire. A current rate that is considered reasonable can be used as a base rate. An economic feasibility study or financial analysis may be necessary in determining a base rate. A comparability study could also be performed to establish an initial rate. The area manager may request assistance from the regional office or the Technical Service Center to determine when certain studies are in order.

Once a Reclamation-proposed rate has been established, it can be published in the prospectus as the base rate. The prospectus could allow applicants to propose a rate different from the amount issued in the prospectus. If a new rate is proposed, the submittal must justify any increase over the proposed base. In such situations, the prospectus must indicate that lower rates are considered more responsive to the prospectus.

The following prospectus language should be included when using this method:

Because there are no comparable \_\_\_\_\_ services in the area of \_\_\_\_\_, the rates charged shall be those approved in this (contract or permit) and subject to annual change. The maximum approved rate shall be adjusted annually to reflect the rise or fall in the U.S. Department of Labor, Bureau of Labor Statistics, CPI for \_\_\_\_\_ covering the same period. If the said CPI figure for the month of January of the year following the effective date of this contract shall show either a rise or fall from the index figure for the month of January of the preceding year, the maximum rate shall be correspondingly increased or decreased for the succeeding 12-month period, commencing on the 1st day of April, to the nearest quarter, half, or one dollar figure representing the percentage difference of increase or decrease of the current January index figure. Likewise, similar recalculations of the rate to be used shall be made using the CPI index for the month of January in each succeeding year. In each instance, the figure shall be compared with the figure of the preceding January and an adjustment made for the next succeeding 12 months in the manner aforesaid.

Reclamation (proposes) (requires) \_\_\_\_\_ as the rate for the calendar year beginning on the execution date of this (contract or permit). All prospective offerors responding should submit proposed rates along with justification and financial rationale to substantiate the proposal. If the justification and rationale are not deemed appropriate, Reclamation will respond by establishing the maximum rate. The lowest rates possible under the circumstances described in the prospectus while maintaining a reasonable opportunity for a profit is preferred and will be judged as more responsive to the prospectus. Under the same circumstances, a lower rate than that currently charged by the operator for the service provided is also preferred.

When this method is to be used, rate(s) proposed by the offeror should be considered. This method will provide competitive rate proposals. Should the proposals or the best proposal have a rate lower or higher than the Reclamation-proposed rate, the rate could be determined through negotiation.

Should all the proposed rates be considered unreasonable, too low or high, the proposals may be treated as any other prospectus where no satisfactory proposals were made.

Reclamation can either pre-establish the base rate or permit offerors (within certain limitations) to identify and suggest, in competition with other offerors, the base rate as part of their response to the prospectus.

## **B. EXISTING OPERATION**

A valid contract may be amended to specify a new rate. In areas where a contract has 3 or more years before expiration and when mutually agreeable, the area manager may amend the contract. A contract amendment requires a substantial Reclamation effort. In some situations, it is in the Government's visitors' best interests to amend the contract. Decisions for amendments should be considered on a case-by-case basis.

## **COMPETITIVE MARKET DECLARATION (METHOD 4)**

This rate method reduces the administrative burden of rate approvals. It is appropriate when the concessionaire operates in a competitive market, the concessionaire derives no competitive advantage from the location on Reclamation land, or prices for items or services are routinely negotiated between the buyer and seller. When this method can be justified, area offices are encouraged to give it strong consideration as a means of simplifying the rate approval process. Examples of when a business would qualify follow.

### **A. COMPETITIVE MARKETS**

The following three scenarios are representative of conditions where a competitive market declaration could be used.

#### **1. Competitive Market**

A highly competitive market nearby could require that the concessionaire compete with other businesses that would ensure market pricing. A concession restaurant in an urban area may compete directly with other nearby restaurants and have little or no competitive advantage because of location. On the other hand, a marina on the same property could enjoy a substantial competitive advantage if it provides the only access to a nearby body of water. There could be a competitive market for overnight accommodations adjacent to a recreation area while the same location could still provide a competitive advantage if many visitors want to stay in the recreation area.

#### **2. No Competitive Advantage**

Sales of antiques may derive little or no competitive advantage from being in a recreation area, since individuals often travel substantial distances to obtain antiques, and the place of purchase is of less importance than the character of the item. Therefore, this is an example of how the location of the concession provides no competitive advantage.

#### **3. Prices Routinely Negotiated**

The price of consignment items, antiques, boats, and many other products is often negotiated between the buyer and seller.

## **B. INITIATING A COMPETITIVE MARKET DECLARATION**

The decision to use a competitive market declaration should not be made lightly because it reduces the area manager's control of the concessionaire. It does not reduce the responsibility for ensuring that rates are fair and reasonable. The decisionmaking process must be well documented and should provide a thorough justification for this method of rate approval.

The declaration should be included as part of the approved rate schedule. The format of the declaration may be adjusted to meet individual needs and circumstances; however, it should include, at a minimum, a statement to the effect that:

- The concessionaire operates in a competitive market and derives no advantage from being in the recreation area, and competitive market forces are the determining factor of the concessionaire's rates.
- The concessionaire's rates may be adjusted without the specific approval of the area manager but are subject to review to ensure that they remain reasonable in comparison to similar services offered outside the recreation area.
- The declaration must be reviewed annually, and the use of this method may be rescinded if the situation changes.

See exhibit 5 for an example of a declaration and a rate schedule sheet.

## OTHER (METHODS 5 AND 6)

There are two other methods that can be used to establish concessionaire rates. Approval to use either of these two additional methods should be granted by the regional office. The methods are discussed in detail below.

### A. FINANCIAL ANALYSIS METHOD

As a last resort, the financial analysis method could be used to approve rates. This method relies on a financial review conducted by the regional office when a decision is made by the area office to request this method.

### B. INDEXING METHOD

Index pricing is an easily implemented procedure for approving or adjusting concessionaire prices on an interim basis. It does not eliminate the need for periodic rate approval. Index pricing can reduce the administrative burden on both concessionaires and Reclamation personnel by eliminating the need for an elaborate study to permit an adjustment. The following example of index pricing may provide a clearer understanding:

In April 2005, the concessionaire requests a price increase to \$57.50 per night for a double room in the hotel. The most recent approved price for a double room is \$56.00, which was approved in January 2004 through a direct comparability study. The area manager could refer to a CPI price index (Lodging Prices While Out of Town) that indicates that from January 2004 to January 2005 those lodging prices have increased by 7.5 percent. On this basis, the concessionaire would be entitled to \$60.20, a 7.5 percent increase over the old price. Therefore, the area manager could approve the requested price of \$57.50. At the same time, the concessionaire requests that the price of the fish platter, established in January 1998, be increased from \$10.00 to \$11.25. The area manager determines from the CPI price index (Food Away From Home) that those food prices have increased 8.2 percent over the period from January 2004 to January 2005. On this basis, the area manager denies the requested increase to \$11.25 and approves instead a price not to exceed \$10.82, or an 8.2 percent increase.

Concessionaire rates approved using the indexing method are good for 1 year or until a rate increase is requested and approved. They may not be indexed for a second year; another method must be used. Indexing may be used repetitively only when the original method used was the contractually specified method of rate approval. This requirement is necessary to (1) ensure that concessionaire prices do not move significantly out of line when compared to prices in the competitive local economy and (2) to limit the continued use of the more easily administered but less appropriate indexing method.

The index pricing system should be understood to be a method of alleviating the burden of other pricing methods on both concessionaire and Reclamation personnel. It is not a

panacea and cannot be used in every instance. It allows concessionaire prices to be adjusted more frequently in special circumstances with minimal administrative burden. The indexing method is an integral component of the specified rate method of authorization. The contract specified rate method is the one exception of permitting a repetitive use of indexing.

# EXHIBITS

## Exhibit 1: Core Menu Food and Beverage Service Rate Approval Process

The core menu concept has been developed to provide a professional procedure for approving food and beverage rates for recreation area concessionaires. In the past, establishing comparable rates for food and beverage operations required more indepth analysis than for other services. This was because of the overall complexity and multiple variables that are a part of the food and beverage industry. It is difficult and time consuming to accurately analyze and compare a concessionaire's total menu proposal in a way that results in appropriate rates.

In recognition of the cumbersome approach required to properly address the establishment of appropriate rates through the direct comparability (full review) method, the concept of establishing a "core menu" was developed as an option for use by Reclamation concessions management officials. The determination as to whether to use or continue using the core menu method is the decision of local Reclamation management. ***IN SITUATIONS WHERE THE CONCESSIONAIRE DOES NOT DEMONSTRATE REASONABLE SENSITIVITY TO THE COMPARABLE MARKETPLACE, RECLAMATION HAS THE OPTION TO RETURN TO THE DIRECT COMPARABILITY METHOD OF RATE APPROVAL.***

This process provides Reclamation with an opportunity to identify and approve, based on the direct comparability method, a core menu. The core menu represents a predetermined number of popular food and beverage selections. In a typical restaurant setting, these selections cover food categories such as entrees (fish, fowl, pork, beef, and vegetarian), beverages, desserts, salads, and appetizers. These items reflect the types of items that are regionally expected and offered in similar facilities. The rates for these items are approved using the direct comparability method. The concessionaire is permitted to add items to the menu without the need for a detailed Reclamation analysis. However, the rates for these additional items must still be established within the philosophy and concept of comparability and recognition of the local marketplace. The concessionaire is charged with the responsibility for setting noncore rates that are in line with the established comparables for items not identified in the core menu. If Reclamation questions rates of noncore menu items, the concessionaire should be prepared to justify the rates set and show how the rates were determined. The core menu should be developed locally and should be representative of the needs and expectations of visitors in that specific area.

Unless noncore rates appear excessive, concessionaires should expect to price these additional items independently of the core menu and without the need for Reclamation to conduct detailed comparability analyses. However, Reclamation should be aware of how these rates address the concept and general application of comparability and the local marketplace. Reclamation may conduct random audits of noncore items to confirm their approximate relationship with the marketplace. The Concessions Review Program will address apparent anomalies in the total food and beverage program.



Reclamation will not normally take any action beyond perusal and acknowledgment of the noncore menu rates and portions if the concessionaire uses a positive approach in establishing sensitive rates.

Reclamation will approve all concessionaire services, products, and rates, so if the noncore menu has obvious flaws or inconsistencies, Reclamation can approve rates based on the direct comparability method. If an appropriate core menu is provided, it should not be necessary to be concerned with minor or subtle pricing variations in the remainder of the menu. The core menu meets Reclamation responsibility for providing appropriate rates to the public while providing added flexibility and opportunity for creativity to concessionaires and ease of management to Reclamation. An important burden remains on Reclamation to ensure that the core menu provides adequate menu items for varied dining tastes at prices comparable to similar businesses.

## A. Process

The following section outlines the details on how to structure and manage food and beverage rate approvals through the use of the core menu process.

When the rate study is conducted, the type of food service being offered will be identified. Some examples of service types (facilities or styles) usually found in recreation area environments are:

1. **Full-Service Restaurants.**—This category includes restaurants ranging from small casual facilities with limited menus and table service to large formal gourmet operations that offer extensive and elaborate services and menu selections. Often, food service facilities in recreation areas fall between these two extremes and similar comparables should be used. While the comparable or the concessionaire may provide individual service styles or different food options, it is important that the primary service style and menu be similar. For example, either may offer occasional buffets, seasonal features, traditional selections of the immediate area, or package plans in conjunction with lodging or other promotions, but the standard menu and service style should be similar.
2. **Cafeteria.**—This includes operations that permit the customer to view and select from individual a-la-carte items as they pass through a serving line. The items are usually individually priced. A cafeteria usually offers specials that may provide a lower overall price when a set number or selection of items is chosen.
3. **Other Facilities.**—These can be take out, limited seating, or prepared food service operations in a setting such as a grocery store, service station, or other environment where prepared food is not the primary product offered.

Food can be provided as part of a package deal involving such activities as fishing tournaments. Core menu application is not appropriate for these situations.

4. **Determine the Core Menu.**—The basic core menu should be outlined before the comparability study is conducted, but some of the core menu items may have to be modified after it is determined what actual menu items are available. The core menu is intended to identify those specific food categories and items that are standard on the comparable menus and that should be reflected on the concessionaire’s menu.

After the core menu is established and the comparability study is completed, the approval of rates should be relatively simple. The rate study process combined with the core menu concept produces an inventory of similar items at similar prices.

The core menu should also be reviewed to verify that selections of a national interest or expectation and items required for normal health considerations are included. Examples include salads, low calorie and low fat, low salt, grilled or baked fish and chicken pastas, and vegetables. Local and regional selections are usually limited. The comparables menus can be used for approving the special needs and local or regional item rates.

Other items made available aside from the core menu do not usually require a significant level of review, but even with the core menu concept it is still necessary for Reclamation to grant approval for noncore rates. This approval does not denote anything other than the recognition of the type of items on the menu. This is important to ensure that the configuration of the total menu is acceptable and that basic data of portions and rates are known to Reclamation. The additional menu offerings permit the concessionaire the opportunity to be innovative. They also provide a reasonable means of merchandising without the need for item-by-item Reclamation comparability. The total menu provides the visitor with a reasonable selection of items at reasonable rates that are comparable to rates charged for similar items in the geographic area.

Before prices are established (approved), the actual menu format and content must be agreed upon and approved to ensure appropriate identification and menu placement of those core items.

For the purpose of the following exercise, establishing a core menu in a typical full-service family-oriented restaurant is addressed. Other types of food service operations may be of a different size and have different types of menus and menu items. The process should provide for the following:

***Rate request.***—A rate study or rate review is generally a result of a request for new rates made by the concessionaire. The concessionaire’s proposed rates and menu items should be a matter of record at this point.

***Core menu determination.***—Review the menus for the facilities that are determined to be comparable (following the normal direct comparability method) and identify those food categories that are generally found on each. Some specific areas that may be included are:

Menu Layout	Other
Appetizers	Children's menus
Salads and soups	Senior citizen's menus
A-la-carte items	Alcoholic beverage menus
Entrees	
Sandwiches	
Desserts	
Beverages	

Where applicable, these categories will be included for each meal period being reviewed (breakfast, lunch, and dinner).

Review the menus of the established comparables and identify those food types that are made available by most of the comparables (fish, fowl, pork, beef, pastas, diet foods, etc.).

The actual food items should also be identified in the core menus. These items are routinely found on most of the comparable menus. Some portion size and special feature information should be collected for general reference. Other than those items that are typically described as a certain portion size on the menu (meats and some beverages), the approval of core and noncore items should not be precisely tied to specific portions. The concessionaire should have some leeway, especially on side dishes, to be creative in presentations and combinations. Reclamation should use the previously mentioned general portion information to address presentations that appear substandard. This requires knowledge of eye appeal, local marketplace standards, and dining trends on the part of Reclamation concessions management personnel.

***Special needs.***—Attention should be given to selections of national interest or expectation and items necessary to satisfy normal health requirements. These should be included on the core menu even if they are not found on the comparable menus.

***Local and regional items.***—The last food items to be added to the core menu are those items that are considered local or regional or those that meet the area's theme. There are usually only a few items of this type. While desirable, these items are not essential. They may be represented as a part of the noncore menu development by the concessionaire and Reclamation.

## B. Concessionaire Generated Items

After the core menu items have been established, the concessionaire is permitted to add items on the menu without a detailed review by Reclamation. These may be priced independently of the core menu. Reclamation does not normally take any action beyond review and acknowledgment of the noncore menu rates. Pricing of these items by the concessionaire must be done within the conceptual ideals of marketplace comparability. ***IN SITUATIONS WHERE THE CONCESSIONAIRE DOES NOT DEMONSTRATE REASONABLE SENSITIVITY TO THE COMPARABLE MARKETPLACE, RECLAMATION HAS THE OPTION TO RETURN TO THE DIRECT COMPARABILITY METHOD OF RATE APPROVAL.***

## C. Rate Approvals

After the comparables have been identified and the core menu determined, the rates can be approved as follows:

1. **Food categories and types.**—The various food categories and types to be included on the concessionaire's menus should already be known and Reclamation approval can be given accordingly. This does not mean that the concessionaire would be prohibited from adding other items beyond those considered locally or culturally standard.
2. **Core menu items.**—Items that have been identified as core menu items are approved and rates are determined through the direct comparability method.
3. **Special needs and local or regional items.**—The items that are expected by the general public for medical or healthy dining reasons or that are expected in a particular locale should be determined during the core menu approval process. The identified special need or locale items on the concessionaire's menu may be a combination of both core and noncore menu preparation. They should reflect the type of items provided by the comparables as much as possible. In some cases, such items may not be carried on the comparables' menus. However, in some instances, Reclamation may determine that they are important to the core menu because of the needs or desires of a public that expects such considerations. If not available locally, rates from outside the area could be considered or a reasonable rate could be determined by comparison with closely related items.
4. **Concessionaire (noncore) items.**—The concessionaire should have an opportunity to identify the items that he or she wants to provide but that are not on the core menu. Unless there is a good reason to deny the request, these rates should be reviewed and approved. An exception would be if some menu items were overpriced, inappropriate, offensive, or otherwise likely to create problems with public perception, or if they impact the overall menu.

If these procedures are followed, the rates that a concessionaire sets will be determined by the marketplace. In this way, the public can be provided with a reasonable selection of core menu items at reasonable prices as approved through the comparability process and Reclamation can ensure that food and beverage rates are consistent.

## Exhibit 2: Indexing

### A. Price Indexes

A price index is a ratio of related prices for commodities or groups of commodities to prices in a base year. For instance, the Consumer Price Index (CPI) for all items for urban wage earners and clerical workers for 1967 through 1982 was:

YEAR	CPI	YEAR	CPI
1967	100.0	1975	161.2
1968	104.2	1976	170.5
1969	109.8	1977	181.5
1970	116.3	1978	195.3
1971	121.3	1979	217.7
1972	125.3	1980	247.0
1973	133.1	1981	272.3
1974	147.7	1982	288.6

Prices in subsequent years are relative to the base year (1967); prices in 1973 were 33.1 percent higher than they were in 1967. The percentage change in prices (inflation rates) can be calculated by dividing the change in the index over a period of time by the index at the beginning of the same period. The change from 1970 to 1977 was:

$$181.5 (1977) - 116.3 (1970) = 65.2 \text{ or a } 56\% \text{ increase between } 1970 \text{ and } 1977.$$

### B. Application of Price Indexes

The CPI for Urban Wage Earners and Clerical Workers, on which the index pricing system is based, is compiled by the Bureau of Labor Statistics of the Department of Labor. Cities and regions are broken down into certain specific databases.

The categories provide price trends for particular geographic areas for specific product groups. The CPI detail indexes for specific products and services offered by Reclamation concessionaires include:

<b>Reclamation Concessionaire</b>	<b>Corresponding CPI Index</b>
Restaurants (food service)	Food away from home
Restaurants (alcoholic beverages)	Alcoholic beverages away from home
Lodging	Lodging while out of town
Retail sales	Retail sales
Grocery items	Food at home
Housekeeping	Housekeeping supplies
Clothing	Apparel commodities
Newspapers, magazines, etc.	Reading material
Sporting goods	Sporting goods and equipment
Souvenirs	Toys, hobbies
Tobacco products	Tobacco products
Personal care products	Toilet goods and personal care appliances
Photographic sales	Photographic supplies and equipment
Nonprescription drugs and medical supplies	Nonprescription drugs and medical supplies
Bus transportation	Intercity bus fare

The CPI and associated indexes are computed and available monthly, are found in a number of Government publications, and are usually available with a 3-month lag period. Monthly data makes an index pricing system with a practical time resolution possible.

A sample of one of the pages from the Monthly Labor Review report follows. Each page contains the CPI for specific cities and for geographic regions under the Bureau of Labor Statistics. Each region is further broken down by population size as follows:

Class A	1,250,000 and above
Class B	385,000–1,250,000
Class C	75,000–385,000
Class D	Below 75,000

Cities and regions close to the recreation area should be used to aid in determining which CPI to use.

Instructions and price index worksheets for calculating rates appear at the end of this appendix. When concessionaires submit price increase requests, the area manager should break out the request by type of business (e.g., lodging, food service). The initial application of indexing involves an update of previously approved prices and does not establish rates on a first-time basis. The inflation adjustment is computed as the

percentage change in the relevant index from the month and year of the request. If the requested percentage price increase is less than the increase in the index, the increase would be allowed, but if the request is for more than the increase in the index, the request would not be approved unless it was sufficiently justified.

Price increase requests greater than prices established by indexing rather than another price approval method (direct comparability, merchandise pricing, contract specified rate, and competitive market declaration) would be judged on the same basis. The only computational variation is in the price index reporting lag. The percentage change in the price index should be calculated from the index at the time the earlier prices were granted as compared to the most recent index for the current requested increase. For example, the prices of food away from home in the West were:

Date	Index
August 1978	108.8
June 1979	118.8
August 1979	120.3

The concessionaire established a price of \$3.00 for a fish platter in August 1978 through the direct comparability rate approval method and, in July 1979, requested a price increase to \$3.25 (an 8.3 percent increase). The most recent price index available is the June 1979 figure of 118.8 or a 9.2 percent increase over the index in August 1978. Since the concessionaire’s proposed rate increase is less than the index, the request is granted and a new price of \$3.25 is approved. If the concessionaire’s requested increase had been greater than the increase in the index, the request would have been limited to the percentage rise in the index.

If the concessionaire were to request an increase from \$3.25 to \$3.35 in October 1979, it would be determined that the last price was established in July 1979 and was based on the price index from June 1979. The increase in the index from June to August (the most recent index available) would be calculated and the increase determined to be 1.3 percent. Since the requested increase is 3.1 percent, greater than the increase in the index, the increase would be limited to \$3.29.

Concessionaire rates approved using the indexing method, are good for 1 year. They may not be indexed for a second consecutive year; another method must be used. Indexing may be used repetitively only when the original method used was the contractually specified method of rate approval. This requirement is necessary to (1) ensure that concessionaire prices remain comparable to prices in the competitive local economy and (2) to limit the continued use of the more easily administered but less appropriate indexing method.



# Monthly Labor Review Report

CPI — Urban Wage Earners and Clerical Workers: selected areas, selected items  
December 1977 = 100 unless otherwise noted

Area	Other Index Base	Food away from home						
		Aug 1982	Mar 1983	Apr 1983	May 1983	June 1983	July 1983	Aug 1983
U.S. city average	1967	311.8	319.7	321.3	321.9	322.5	323.0	324.3
Anchorage, AK	10/67	—	296.7	—	297.5	—	298.9	—
Atlanta, GA	1967	313.1	—	321.6	—	322.7	—	324.2
Baltimore, MD	1967	—	328.3	—	336.2	—	337.0	—
Boston, MA	1967	—	277.1	—	278.3	—	286.7	—
Buffalo, NY	1967	296.5	—	280.7	—	281.1	—	283.0
Chicago, IL	1967	291.3	299.4	300.3	298.8	298.8	298.8	298.8
Cincinnati, OH	1967	—	303.6	—	306.5	—	304.3	—
Cleveland, OH	1967	309.7	—	317.0	—	321.7	—	335.0
Dallas/Ft. Worth, TX	1967	331.2	—	350.8	—	350.8	—	357.2
Denver/Boulder, CO	1967	—	316.7	—	321.0	—	326.4	—
Detroit, MI	1967	281.9	285.4	285.4	283.0	282.0	282.8	283.0
Honolulu, HI	1967	298.9	—	313.8	—	312.5	—	312.4
Houston, TX	1967	368.0	—	373.2	—	377.1	—	376.9
Kansas City, MO/KS	1967	309.3	—	313.2	—	316.3	—	321.0
L.A./Long Beach, Anaheim, CA	1967	308.2	319.1	319.2	320.1	322.7	323.3	323.9
Miami, FL	11/77	—	173.6	—	174.1	—	174.2	—
Milwaukee, WI	1967	—	332.9	—	334.2	—	334.9	—
Minneapolis/St. Paul, MN	1967	339.3	—	359.6	—	356.9	—	359.7
NY/Northeastern NJ	1967	302.3	307.7	310.2	312.2	312.1	311.9	312.7
Northeast Pennsylvania, PA	1967	—	271.3	—	273.8	—	276.9	—
Philadelphia, PA	1967	385.9	388.8	392.5	393.0	396.9	399.1	402.7
Pittsburgh, PA	1967	318.2	—	328.5	—	329.2	—	329.6
Portland, OR	1967	—	325.8	—	325.6	—	331.0	—
St. Louis, MO	1967	—	296.9	—	297.9	—	299.5	—
San Diego, CA	1967	—	405.8	—	408.9	—	410.3	—
San Francisco/Oakland, CA	1967	298.4	—	305.6	—	306.2	—	312.0
Seattle/Everett, WA	1967	—	304.8	—	305.7	—	311.8	—
Washington, DC, MD/VA	1967	—	321.8	—	324.5	—	321.1	—
Region								
Northeast		150.1	—	154.1	—	155.0	—	156.2
North Central		148.0	—	151.8	—	151.5	—	152.3
South		152.7	—	158.2	—	159.2	—	159.3
West		156.2	—	161.9	—	162.9	—	164.1

Provided as a sample only. Use current statistics.

## Exhibit 3: Index Pricing Worksheet Instructions

Complete the required information regarding concessionaire, date, location, and the specific item to be priced and initial the form in the space provided. Then, decide which CPI to use. The CPI information is provided by the Department of Labor and there are dozens of individual indexes. It is important to use the index that most closely matches the item being considered. For instance, if you were approving the price of a fishing rod, you would look for an index that was titled "Fishing Equipment" or whatever seemed closest to a fishing rod. If you are approving an item that does not seem to be associated with a logical index, you may use the concessionaire's index title.

On the worksheet, you will notice that column C is labeled CPI. You should fill in the name of the particular index that you have decided to use as a heading for column C on the worksheet.

### Line 1

- Column A: enter the proposed item price
- Column B: enter the current month and year
- Column C: enter the latest CPI for the item
- Column D: enter the month and year for the latest CPI

### Line 2

If the previous price was established by comparability or other study:

- Column A: enter the previous price
- Columns B and D: enter the month and year the previous price was set
- Column C: enter the CPI for the month and year that the old price was set

If the previous price was established through index pricing, refer to the pricing form completed at that time and:

- Column A: enter amount on line 9 of the earlier form
- Columns B, C, and D: copy from line 1, columns B, C, and D from the earlier form

### Line 3

- Column A: subtract line 1 from 2
- Column C: subtract line 1 from 2

### Line 4

- Column A: divide line 3 by line 2 (3 decimal places)
- Column C: divide line 3 by line 2 (3 decimal places)

Compare the amounts on line 4, columns A and C.

If the amount in column C, line 4, is greater than or equal to the amount in column A, place the figure shown on line 1, column A, on line 9.

**Line 5**

If the amount in column A, line 4, is greater than the amount in column C, line 4, enter the current price shown in column A, line 2 on line 5.

**Line 6**

Enter the percent on line 4, column C

**Line 7**

Multiply line 5 by line 6

**Line 8**

Add lines 5 and 7

**Line 9**

Round the amount on line 8

# Index Pricing Worksheet

Concessionaire	Date
Location	Preparers initials
Specific items	

	Item Price (A)	Date of Column A (B)	CPI (C)	Date of Column C (D)
(1) Proposed				
(2) Previous				
(3) Line (1) minus line (2)				
(4) Line (3) divided by line (2)	%		%	

If line (4) column (A) is greater than line (4) column (C), see below. Otherwise, enter the requested price on line (9) below.

(5) Enter amount on line (2) column (A)	
(6) Enter amount on line (4) column (C)	
(7) Multiply line (5) by line (6)	
(8) Add line (5) and line (7)	
(9) Approved Indexed Price	

# Exhibit 4: Utility Program Implementation

## A. Utility Charges to Concessionaires

When Reclamation charges a concessionaire for utilities (electricity, water, sewer, solid waste) at a rate higher than the comparable utility charge in the private sector, the additional charge above the comparable rate (add-on) may be added to the rates charged to visitors. Adjustments to utility rates do not apply when the concessionaire purchases the utility from other sources or when Reclamation charges a comparable utility rate. It is incumbent upon the concessionaire to request that the additional utility rate be added to the approved concessionaire rate.

### 1. Procedures

The following steps are to be taken in establishing comparable rates, adjusting approved concessionaire rates, and monitoring the additional revenue resulting from the add-on.

Comparable utility charges should be obtained from the area where the concessionaire's comparable rates are determined.

The concessionaire must be notified of increased utility charges 60 days before the charges become effective.

The concessionaire must notify the area manager within 15 days of the concessionaire's request to adjust any rate(s) charged to visitors if an exception is requested. The request must be acted upon by the area manager within 15 days of the of the concessionaire's request. The concessionaire must be notified of all utility charge increases higher than the comparable rates in advance of the main visitor season so that only one yearly adjustment to approved higher charges to visitors will be required.

***Establish Base Price*** — Approved rates will be expressed in terms of unit price, markup, or other appropriate measure, and the utility add-on will be expressed in comparable units.

***Documenting Additional Utility Charge Impact*** — The concessionaire multiplies the difference between operating costs and comparability by anticipated use.

***Requesting Rate Adjustments*** — If the concessionaire decides to pass utility costs on to area visitors, the area manager must be provided with a proposed adjusted rate increase schedule. The schedule must clearly show:

- Past unit sales or sales volume for goods and services to be adjusted.
- Current approved rate or markup percent.
- Estimated units to be sold or dollar volume.
- Amount of add-on shown as a dollar amount or as a percentage.
- Adjusted rate shown as a dollar amount or as a percentage.
- Estimated additional revenue.
- An explanation if a decrease in units or volume sold is expected.

The following table is an example of a concessionaire’s utility rate adjustment request. The format is recommended but not required. It provides all the information needed for Reclamation review and documents the justification for the final decision. It is the responsibility of the local Reclamation officials to outline to the concessionaires exactly how to request a rate adjustment.

**Proposed Concessionaire Rate Adjustment  
to Recoup \$10,000 Additional Utility Charges**

Product / Services Adjustment	Units or Dollar Volume Sold Last Year	Comparable Approved Rate Dollar Amount or Markup	Estimated Units or Dollar Volume to be Sold	Amount of Add-on Dollar Amount or Markup	Adjusted Rate Dollar Amount or Markup	Estimated Additional Revenue
Rooms (units)	8,000	\$50.00	8,000	\$0.75	\$50.75	\$6,000
Breakfast buffet (units)	9,200	\$3.75	*8,000	\$0.25	\$4.00	\$2,000
Sandwiches (units)	5,000	\$2.85	5,000	\$0.15	\$3.00	\$750
Tobacco products	\$100,000	30.6%	\$100,000	.4%	31.0%	\$400
Postcards	\$4,000	50.0%	\$4,000	1.0%	51.0%	\$40
Groceries	\$30,000	29.9%	\$30,000	2.0%	31.9%	\$600
Boat tours (units)	3,500	\$4.00	**3,000	\$0.10	\$4.10	\$300
						\$10,090

\* Past history indicates approximately a 12 percent sales resistance when prices are increased by \$0.25. (Perhaps the rate change should be further reconsidered.)

\*\* Boat dock will open 1 week later next season.

It is at the area manager’s discretion to inform the public that the rates include an add-on for utility costs.

## **B. Reviewing Adjusted Rate Increase Schedule**

The schedule is to be reviewed by the area manager to ensure the accuracy of calculations and the reasonableness of projections. If the add-on for any price exceeds 15 percent of the base price, the concessionaire should be asked to spread the add-on over more items or classes of merchandise. Only if this is not practical should an exception for utility charges be considered.

## **C. Monitoring**

The area manager should ensure that the accounting system used provides for monitoring revenues generated as a result of the adjustment.

## **D. Distribution of Adjustment**

Goods and services adjusted should affect a wide range of visitors. If the area manager does not agree with the proposed adjusted rates, his or her concerns should be discussed with the concessionaire. Differences that cannot be resolved are treated as an appeal and referred to the regional director.

After an agreement has been reached as to the goods and services to be adjusted and the amount of the increase, the area manager approves the new rates by noting the amount of add-on to the concessionaire's previously approved rate schedule. The concessionaire is provided with a copy. The amount of gross receipts as a result of the add-on should be excluded from the concessionaire's franchise fee calculation.

## **E. Utility Charge Exception**

A utility charge exception may be applied when the utility cost add-on is so high that consumer resistance begins. At this point, higher prices are offset by a reduction in the number of items sold, and the concessionaire suffers lost sales and lost repeat business. There is no set point when resistance begins; differences are attributed to the types of goods and services involved, the clientele, and the part of the country. The sales mix greatly affects price flexibility.

The utility charge exception procedure may be used when charging actual costs for utility services would place an unacceptable financial burden on the concessionaire and would impede the ability of Reclamation to carry out its responsibilities to preserve and protect Reclamation lands and provide for the use and enjoyment of those lands by the public. Such a situation could also justify eliminating or not granting a concession authorization because of a lack of reasonable opportunity for a profit without a Government subsidy.

Authority to approve reduction of utility charges is reserved by the regional director, and the procedure parallels that for appeals. The area manager's forwarding recommendation should include a discussion of the relevant guidelines. The regional director's approval for a utility exception is valid for 1 year, and requests for exceptions must be made annually.

The following guidelines apply:

1. Price increases of 15 percent or less should not create an unfair competitive situation.
2. Add-ons must be spread over as wide a range of goods or services as possible, thus reducing the per-item increase. Concentrating price increases in a narrow range of items to produce an artificial need for the utility charge exception is not acceptable.
3. Low profit, high dollar volume merchandise (such as gasoline or groceries) is not amenable to large increases.
4. Merchandise prices approved under a competitive market declaration should not be subject to the add-on.
5. Price increases based on utility charges that occur at about the same time as increases based on normal market comparability may combine to create consumer resistance. The combined increase should be limited to 20 percent at one time, and the remaining portion of the utility charge increase should be phased in.

## **F. Monitoring Procedures**

The following procedures are to be used by the area manager and the concessionaire to ensure that the increases in rates for goods and services approximate the additional utility charges.

The concessionaire, using sales records, invoices, inventory records, and other reports, provides the area manager with documentation showing the rate adjustments and the added costs based on the actual amount of the utility consumed. The following table illustrates the necessary documentation:



Products/Services Adjustment	Projected (\$)	Actual (\$)
Rooms	6,000	6,375.00
Breakfast buffet	2,000	2,625.00
Sandwiches	750	930.00
Tobacco products	400	418.00
Postcards	40	40.00
Groceries	600	800.00
Boat tours	300	310.00
Added revenue	10,090	11,498.00
Added utility costs	10,000	10,300.00
Actual additional revenue generated		11,498.00
Actual additional utility charges		10,300.00
Amount to be recouped or (deducted)		(1,198.00)

## **G. Minor Differences**

After utility costs and rate adjustments are reconciled, any difference of less than 5 percent of the actual additional utility costs should be ignored.

## **H. Subsequent Adjustments**

The above documentation shows that the concessionaire adjusted rates generated \$1,198 more than actual utility charges. Since the difference is greater than 5 percent of additional utility costs, the add-on to comparable rates is to be adjusted downward by \$1,198 the following year. If the difference between additional sales generated and actual utility costs is less than 5 percent, the difference is ignored.

Reconciliation should be at the end of the prime operating season or at a time agreeable to both parties before the next rate increase based on comparability. This should be done well in advance for seasonal operations so that adjustments can be noted in the rate schedules provided to the public.

If, during the year, the concessionaire believes, based on past and current records, that the adjusted rates could result in a substantial shortage or excess of revenue, changes should be recommended to the area manager that would provide reasonable revenues for the concessionaire and Reclamation.

# Exhibit 5: Competitive Market Declaration and Rate Schedule

## Catfish Marina Services, Incorporated Waterhole Recreation Area

Catfish Marina Services, Inc., is an authorized dealer for Glaston and Sea Ray boats and sells used Sterury rental boats. As a boat sales dealer, Catfish Marina Services directly competes for customers with the following businesses:

- Rainbow Boats, Holiok, Wyoming, 7 miles away
- Everude Sales, Holiok, Wyoming, 7 miles away
- Lemon's Leased Boats, Tidewater, Wyoming, 3 miles away
- Park Boats, Boundary, Wyoming, ½ mile away

The distance between Catfish Marina, at Catfish Basin, and its competitors is minimal. All the above firms sell boats in the same class as those offered by the concessionaire. In addition, the selling price of boats is generally negotiated between buyer and seller. The many variables that enter into boat prices, such as changes in season, interest rates, model year, and salesmanship make the application of fixed prices unrealistic. It is determined that the concessionaire's ability to complete is not enhanced by the location in Waterhole Recreation Area. Prices are comparable based on competition and negotiation.

Use of a competitive market declaration for approving rates for this service would be authorized. Rates could be adjusted without the specific approval of the area manager, but they are subject to review to ensure that they remain comparable to similar services offered outside Waterhole Recreation Area.

This declaration will be reviewed annually, and the use of this method could be rescinded if the area manager determines that the situation has changed. The decision to change the rate approval methods rests with the area manager.

### A. Rate Schedule

#### 1. Boat Sales - Competitive Market Declaration

Boats sold by Catfish Marina Services, Inc., at Catfish Basin, Waterhole Recreation Area, are sold in a competitive market. The prices charged for boats are negotiated by buyer and seller. In consideration of these factors, it is declared that rates charged by the concessionaire are comparable and approved. Catfish Marina Services, Inc., may price boats competitively without further approval from Reclamation.

This declaration is for (insert inclusive dates).

---

Area Manager

---

Date

## **Exhibit 6: Assistance with the Direct Comparability Method**

### **A. Develop a List of Potential Comparables**

This simple process can be accomplished jointly with the concessionaire, who should be asked to provide a list of potential comparables to the area manager. The area manager and the concessionaire's staff will also create a list of potential comparables. Businesses that are not comparable should not be included because any properties that are greatly dissimilar will not make the final selection of actual comparables. An unnecessary point of conflict is eliminated by accepting the properties that a concessionaire suggests at this stage. If a proposed property is a substantial distance (e.g., several hundred miles) from the recreation area and there are plenty of potential comparables nearer, the property could be rejected. In some situations, it is necessary to use comparables that are hundreds of miles away because comparables are so few.

### **B. Contact Identified Potential Comparables**

(Full Review) Contact with a potential comparable in preparation for full review study should begin with a letter that identifies Reclamation and the program used to review concessionaire rate requests through comparability. This letter would state that an area representative would appreciate permission to visit the property in order to ask questions and collect basic information. A date and time for the visit could also be suggested. The letter could mention that a phone call will follow to discuss needs and set an appointment, which gives the potential comparable time to think about the proposal and decide whether or not to participate. The phone call should confirm a visit date and time. Very few operators decline to assist when approached in this manner.

(Limited Review) A letter may not be necessary in a limited review, but is still a good idea. The followup phone call could include an interview with the manager to collect the necessary information. A followup to an earlier full review can begin with an information collection call because the manager will already be familiar with Reclamation needs from past contacts.

### **C. Visit Potential Comparables**

This step can be skipped for a limited review. If a letter was sent and followup call made, the actual visit should go smoothly. Information collection is easier if a form is prepared in advance. This sheet could include a space for information on each of the criteria and notes about extra quality features. Utility cost data should be collected. Thorough notes should be taken on each point. Photographs should be taken to record exterior and interior conditions, and measurements (especially for guest rooms) should be taken to compare spaciousness or crowding with the concessionaire facility.

If this is the first visit to a particular property, it is also helpful to collect rates for previous years to begin charting a rate history for all potential comparables. Such information is very valuable in the subtleties of final rate approval.

## **D. Analyze Data**

The selection of actual comparables has a direct impact on a concessionaire's final approved rates. It also has a significant impact on the expenditures of visitors. It is important to validate the selection through objective rating processes.

The following procedures are suggested and should be used when evaluating potential comparables as part of the direct comparability study method. The comparability matrix provides a defensible method for analyzing the data collected for lodging, food and beverage, marinas, tour operations, campgrounds, and gasoline service stations. This analysis is always required unless the number of comparable businesses is extremely limited. Even with very few comparable businesses, this process eliminates properties that are beyond a reasonable level of comparability.

### **1. Detailed Matrix Discussion (Strengths and Weaknesses)**

*A detailed matrix of the strengths and weaknesses provides a less subjective approach for determining the properties that are selected as actual comparables. The matrix does not eliminate the need for good judgment and a thorough knowledge of the comparability process because some level of subjectivity still allows criticism both from the concessionaire and from within Reclamation. The matrix is based on values of similarity that express differences between a particular potential comparable and the concessionaire. The values are determined using the concessionaire's conditions as the base against which all others are compared. These values are assigned to each of the identified criteria for lodging, food and beverage, marinas, campgrounds, transportation, and gasoline service stations.*

*Numeric values can be assigned to the criteria, such as number of rooms, percentage of occupancy, number of restaurant seats, and number of boat slips. Assigning values to nominal criteria such as type of area, clientele, facility characteristics, and similar menu is more problematic and requires judgment and knowledge.*

*Using a matrix provides a balanced procedure for rating potential comparables in an unbiased manner. Determining an approved rate is not an exact science; the concessionaire's rates are appropriate if most customers would expect to pay similar prices for similar services under similar conditions outside the recreation area.*

*The comparability matrix has a dual axis. The business properties measured (including the concessionaire) are listed down the left column. The criteria*

measured are listed across the top. When completed, this matrix will note the degree of similarity between the concessionaire and the potential comparables. It does not designate the properties as better or worse, but only shows the degree of similarity. Quality and value are not analyzed thoroughly until after the selection of actual comparables.

Information on the criteria (food and beverage [8 criteria], lodging [7 criteria], marinas [6 criteria], tour operations [4 criteria], campgrounds [5 criteria], and gasoline service stations [4 criteria]) must be collected during visits to all potential comparables visited to ensure a thorough review. These criteria are the only items measured to determine comparability. After the comparables are identified, extra quality features are used to determine final approved rates.

It is critical that the same person evaluate all the properties in the comparability matrix to ensure consistency. (Concessionaires do not participate in the matrix process.) The concessionaire is listed first on the matrix and is assigned a value of 10 points for each criterion. This format would result in a total of 70 points for the concessionaire in a lodging matrix because there are seven criteria ( $10 \times 7 = 70$ ). The total does not signify a level of performance or quality but only similarity of operations compared to the concessionaire. The Reclamation employee completing the matrix will then devise point spreads for each of the criteria analyzed that reflect the differences between potential comparables. For example, if a concessionaire has 100 guest rooms, a potential comparable should have 95–105 guest rooms, to receive 10 points. A possible rating scenario on the criteria for the number of guest rooms follows:

95-105 rooms	10 points
85-94 and 106-115 rooms	9 points
75-84 and 116-125 rooms	8 points
65-74 and 126-135 rooms	7 points

Some criteria may not be as varied and could result in either 10 (the same), 5 (partially the same), or 0 (completely different). Reclamation employees should strive for consistency supported by knowledge and thoroughness, not perfection.

This technique is valuable and easy to use because the final scores for each potential comparable are not important alone—but only in relation to the other potential comparables. The most critical aspect of completing the matrix is maintaining program consistency by ensuring that the same person evaluate all the properties. Then, any rating can be given on a particular criterion as long as properties that are similar receive the same rating.

After the matrix is completed and the points are totaled for each property, Reclamation employees involved will look for a natural break in the point spread. All properties above that number will be selected as actual comparables. If a break level is not apparent or provides too few or too many properties, an

*arbitrary number of properties may be selected. The determination can be made locally or through consultation. No specific number of comparables is required, but there should never be fewer than three actual comparables selected.*

*After the actual comparables are designated, further analysis will consider extra quality features to determine where the concession fits among the comparable properties and the range of rates. Following this analysis, other factors deemed significant are introduced that help define the comparative quality of the concessionaire's goods and services. These factors impact the final rates to the user and should not be considered until a rate based on comparability has been determined. Examples of other factors deemed significant could be the cost of housing employees, utility costs above comparability, significant delivery costs above comparability, and additional costs caused by environmental concerns. Such costs may be passed on to the customer, but it is extremely critical that the concessionaire be able to specifically and concretely substantiate them. Additional rates above comparability should never be authorized without written documentation.*

*Results of the comparability matrix should be discounted only if the reasons are supportable. For example, if a facility is family staffed with no mortgage or other typical expenses, lower charges might be possible than in a more typical facility.*

The matrix system can seem confusing and complicated at first, but with use, it becomes simple, easy to use, and productive. It contributes to an objective, analytical final rate decision. It brings together many disparate functions of the rate approval process to support operational activities that directly impact millions of area visitors.

## **E. Indepth Analysis of Actual Comparables**

The properties that did not become actual comparables are no longer considered. Information, including *Other Factors Deemed Significant* and *Extra Quality Features* (see exhibit 8) are thoroughly reviewed as part of determining where the concessionaire falls among the range of the actual comparables. This is the step where better and worse are measured and noted.

After completion of this step, it is possible to determine approximately where the concessionaire's operations fit within the range of quality and type of services or facilities offered by the actual comparables. To make this determination, the analysis must compare, measure, and appraise the level of extra quality features in both the concession and the actual comparable facilities. These features generally add operating costs and value and benefit to the customer. The review can be a simple comparison of the concessionaire's extra quality features against the corresponding lists of the individual actual comparables.

Each actual comparable should be discussed in a well-written narrative that includes the extra quality features and other criteria for each specific type of facility or service. The

narrative should demonstrate first-hand knowledge of the property and should add value to the matrix comparison. The narrative should discuss various aspects of the property or service and management's attention to detail.

After point-by-point comparisons and development of property narratives, a logical determination of where the concessionaire fits among the actual comparables in respect to service, condition of facilities, and attention to detail can be made. Rates have not yet been considered. Proceeding to review the rates of the actual comparables and positioning the concessionaire among them will provide a good indication of the acceptable price range based on strict comparability.

## **F. Rate Request from Concessionaire**

Certain minimum standards for the development of rate requests are to be expected and outlined to concessionaires by area office staff. The minimum standards should be summarized in the concessionaire's operating plan. A timetable should be prepared that includes the latest date that rates should be submitted for consideration. All dates should be discussed and should provide logical time frames for completing the necessary reviews. It is critical that requests from the concessionaire describe the minimum level of services and products provided for the rate requested.

Rate requests should include information from the concessionaire about which Reclamation may be unaware. Without a detailed rate request, assumptions should not be made by Reclamation to support a concessionaire's desired rates.

At this point, the concessionaire must submit and support any other factors that the concessionaire believes should be considered. Reclamation must carefully evaluate requests for rates over and above comparability to ensure that there are expenses that the comparables do not share in one form or another.

With this data and the positioning among comparables, a determination can be made as to whether the concessionaire's rate request is reasonable.

## **G. Rate Recommendation to Area Manager**

This should be written and could include an executive summary of the process and information collected. The rate recommendation should include the formal comparability study and analysis and should provide all the supporting documentation for approving or disapproving the requested rates. Some recommendations are long and complex. Others may be fairly simple and short, such as the food and beverage analysis.

Recommendation documents should be presented in a logical and analytical format that outlines the procedures and methods followed in reviewing the concessionaire's rates and in analyzing the comparability data. A recommended format for the analysis and accompanying recommendation would include:

- Determining study level (full or limited).
- Listing potential comparables.
- Describing properties visited and associated data.
- Analyzing data collected.
- Selecting actual comparables (comparability matrix).
- Analyzing actual comparables (with narrative) in depth.
- Requesting rate from concessionaire.
- Recommending approval or disapproval.

An executive summary should be included to provide a quick synopsis of the results and recommendations for those who do not have the time to read the entire report.



## Exhibit 7: Averaging Freight Costs

This program is optional. It provides a way for concessionaires to include an add-on for freight costs without having to recalculate the retail price after every shipment of merchandise. This program eliminates the need for prices to fluctuate on items throughout the year.

The major burden is on the concessionaire, who must keep accurate records for calculation of an average freight cost. The freight cost should be stated as a percentage of merchandise sold for the previous year. The concessionaire would document to Reclamation (at the area level) exactly what the percentage for freight was for the past year. If the area agrees to permit averaging and the concessionaire's documentation is adequate, the percentage could be added to all merchandise sold in the following year. This procedure is a variation on the standard process that requires the concessionaire to calculate the freight rate for each individual item based on the identified costs on the separate invoices.

The concessionaire is required to track the actual costs for the year to determine if recovery for freight costs is above or below the actual cost. This difference would then be taken into consideration in the next year by either raising or lowering the percentage to account for the difference. Unlike the utility program, which permits a 5 percent plus or minus fluctuation without adjustment, there is no acceptable fluctuation in this program. There is only an annual adjustment.

If an area decides to allow this timesaving process, it is necessary to ignore the invoice freight charges in calculating approved retail sales prices. The final rate for all merchandise will have the same percentage of freight charges (for example, 3.2 percent). Some of the actual freight rates would be higher, and some lower, than the overall average. The average percentage figure would also include reductions to freight charges received for quantity purchases or prompt payment.

As an example, if the wholesale cost of an item to the concessionaire is \$10.00, \$0.32 (3.2 percent in the example above) could be added before the item is marked up to the final retail price. If the mark up is 100 percent, the final retail price of the example item would be \$20.64. This does not include local add-ons for utilities, other appropriate costs, or rounding. No cost add-ons are permitted for warehousing.

This process, when supported by accurate records, results in more stable pricing and a more convenient administrative process.

## Exhibit 8: Extra Quality Features Campgrounds

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
Utility hookups (water, sewer, electric)					
Trash receptacles					
At site					
Centralized					
Dumping station					
Included in campsite rate					
Extra charge					
Showers					
Included in campsite rate					
Coin operated					
Partitioned stalls					
Open/common area					
Heated					
Restroom service					
Pit toilets					
Flush toilets					
Hot and cold water					
Water					
At individual sites					
Scattered hydrants					
Central only					

Site Characteristics					
Site seclusion (utmost, moderate, limited)					
Separate area for tents					
Landscaping appropriate for natural terrain					
Type of access					
Rough or gravel road					
Paved					
Pull-through for RVs and trailers					
Compliance with ADA requirements					
Lighted areas and paths					
Picnic table at site					
Fireplace/grill at site					

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
<b>Service Related</b>					
Reservation system					
Public phone available					
Camper service store					
Food service					
Gasoline service station					
Propane					
24-hour onsite available					
Firewood available					
Coin-operated laundry available					
Ice available					
Vending machines					
Interpretative programs					
Entertainment programs					
Recreation room					
Swimming pool					

<b>Local Factors Deemed Appropriate</b>					

## Extra Quality Features Food and Beverage Service

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
Decor representative of local area					
Compliance with ADA requirements					
Baby changing area in restrooms (men/women)					

Comfort Related					
Air conditioning					
Live entertainment/stage					
Smoking/nonsmoking areas					

Service Related					
Accommodates tour groups					
Takeout service available					
Complimentary coffee in lobby/waiting area					
Special menus (such as diabetic, vegetarian)					
Senior citizen discounts					
Children's menu					
Ability to pay at table vs. central cashier					
Accepts reservations					

Organizations					
Major credit cards accepted					
Linen tablecloths (dinner)					
Glass vs. paper or plastic cups					
Single-service vs. flatware					

Local Factors Deemed Appropriate					

## Extra Quality Features Gasoline Service Stations Facilities

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
Restroom					
Public phone					
Car wash					
Air and water					
Free to customers					
Charge					
Convenience store					
Overhead canopy					
Compliance with ADA requirements					

Comfort Related					
Waiting room for auto repair					

Service Related					
Trailer and/or RV service					
Tires, batteries, and accessories					
Tire repair service available					
Tow service available					
Mechanic on duty					
Open 24 hours					
Open 7 days per week					
Accepts major credit cards					
Credit cards accepted at pump					

Local Factors Deemed Appropriate					

## Extra Quality Features Marina Facilities

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
Hotel/motel					
Restaurant and/or bar					
Groceries					
Adequate water depth for draft of boats					
Secure boat tieup system					
Fuel dock and other fuels (propane, etc.)					
Fire protection water and equipment					
Dock utilities (water, electric, cable TV, phone)					
Availability and proximity of parking lot					
Dock boxes and carts					
Dinghy racks and other storage areas					
Restroom, showers, and laundry					
Ice and other vending machines					
Fish cleaning station					
Parts and accessories store					
Landscaping					
Picnic area, swimming pool, tennis courts, etc.					
Recreation or lounge area					
Posted marina rules					
Boat haul-out facilities					
Repair/maintenance (mechanical, hull, rigging, etc.)					
Transient berths/moorings					
Dry storage					
Trailer parking					
Compliance with ADA requirements					

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
<b>Service Related</b>					
Sewage pumpout station					
Marine VHF monitoring					
Dock hands to assist in docking					
Weather information					
Book/VCR library					
Charter boat operation					
Camping					
Swimming					
Water skiing					
Fishing					
Beach rentals					
Boat rentals					
Fishing equipment					

<b>Local Factors Deemed Appropriate</b>					

## Extra Quality Features Overnight Accommodations

Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
Rooms					
Individual temperature control					
Suites					
Compliance with ADA requirements					
Kitchenettes					
Television					
Free cable					
Pay per view movies					
Telephone					
Free local calls					
Vending					
In-room					
Common area					
Swimming pool					
Indoor					
Outdoor Heated					
Outdoor unheated					
Pool deck and/or patio area					
Retail facilities					
Restaurant/bar facilities					
Cafeteria					
Full-service Dining Room					
Bar					
Fireplace in common area					
Designated bus/camper parking					
Children's play area					
Recreation/weight room					
Marina					
Beach					
Tennis courts					
Golf privileges					



Features (check if present)	Concessionaire	Comparable A	Comparable B	Comparable C	Comparable D
<b>Convenience/Comfort Related</b>					
Wall-to-wall carpet in rooms					
Grade-A furniture					
Bedside lighting controls					

<b>Service Related</b>					
Baggage (bell hop)					
Valet parking					
Room service					
Entertainment					
Medical assistance/RN on duty					
Audiovisual movies					
Make other reservations					
Rental cars available					
Major credit cards accepted					
Registration office open 24 hours					
800 number available					

<b>Local Factors Deemed Appropriate</b>					



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# CHAPTER 8 – CONCESSIONS REVIEW PROGRAM

## A. CONCESSIONS REVIEW PROGRAM

### 1. Overview

The primary goal of the Concessions Review Program is to ensure that concessionaires provide safe, sanitary, and high quality visitor services and facilities. The Concessions Review Program comprises four separate evaluations: (1) operation and facilities evaluation, (2) inspection by public health service or other qualified personnel, (3) safety and environmental evaluation, and (4) contract compliance evaluation.

Inspection responsibilities are allocated between local and non-local Bureau of Reclamation (Reclamation) staff and public health inspectors to capitalize on the respective skills and objectivity of each set of reviewers and, therefore, to conduct the most accurate and efficient evaluations possible. Local Reclamation reviewers, because of their familiarity with the concession operation, are well-suited to conduct the highly detailed operation and facilities evaluation. Non-local reviewers, because they, presumably, do not feel pressure to maintain positive relationships with concessionaires, can more effectively enforce the correction of deficiencies and provide objective overall evaluations. In addition, reviewers normally have specialized training in conducting the safety and environmental evaluation and the contract compliance evaluation. The public health service inspection, because it requires the technical expertise of a trained sanitarian, will be conducted by a public health service representative.

The operation and facilities evaluation will be conducted semiannually by staff from the local area office. External inspections will be conducted by non-local, or external, staff at least once, midterm, for contracts with a term of 5 years or less, and every 5 years for contracts longer than 5 years. The public health service inspections (or equivalent) will be conducted by a sanitarian. The safety and environmental evaluations will be conducted by Reclamation “reviewers,” who are staff members who have been trained to conduct such evaluations. A reviewer may be called in by the local area staff to enforce deficiency corrections during the operation and facilities review. Private contractors may also be used for technical reviews.

The four evaluations are summarized in the following table.

**Concessions Review Program**

Evaluation/inspection	Operation and facilities evaluation	Public health inspection	Safety and environmental evaluation	Contract compliance evaluation
Frequency	Semiannual	Semiannual	Annual	Annual

The evaluation rating year begins no later than October 1 and ends no later than September 30. This 12-month period will allow concessionaires' operation and facility evaluations to be coordinated Reclamation-wide. It also allows the area office 6 weeks to finalize and transmit reports to the regional office by November 15. The regions should then have 1 month to review the reports and submit necessary documents to the Director of Operations and the Office of Program and Policy Services by December 15 if issues warrant a higher level of notification. The Recreation Use Data Report should also be updated by December 15 of each year.

This presentation describes the concessionaire evaluations and outlines instructions for conducting each of the four evaluations. The final section of this discussion, section F. 1. Summary of Reports, lists the evaluations. Appendix A contains evaluation forms for each of the evaluations.

## **B. OPERATION AND FACILITIES EVALUATION**

### **1. Overview**

The operation and facilities evaluation provides a systematic method of determining the quality, safety, and sanitation of visitor services on a semiannual basis using established standards. This evaluation will be conducted twice yearly by the local area staff. The evaluation will be based on the operating standards for the concession operation, as defined in the concession contract for that operation. One of the evaluations must be conducted during the peak season.

The standards established for each type of facility or service (operation) are composed of distinct elements that are pertinent to satisfactory performance. These elements are classified first priority (A), second priority (B), and third priority (C), based on the degree of importance to the well-being and enjoyment of a visitor or employee.

### **2. Instructions for Conducting Operations and Facilities Evaluation**

- a. A local staff member is designated as the "local reviewer" by the area manager. This individual will be responsible for conducting the onsite evaluation of the concession and assigning the rating. The area manager may assign more than one person to conduct the evaluation.
- b. The local reviewer should have a copy of the current concession contract for the concession operation under review. The Operating Plan (exhibit G, subchapter 2-8) contains the operating standards that govern the concession operation. The Operating Plan, chapter 7, contains the full text of all operating standards. Not all standards will be applicable to every concession operation. In preparing the concession contract for a concession, the preparer chooses appropriate operating standards to

include in the concession contract language. The concessionaire will be evaluated only in compliance with the standards that are included in the concession contract.

- c. Before beginning the evaluation, the local reviewer should prepare blank copies of several forms. All forms can be found in appendix B of this chapter. The local reviewer will need standard 10-629, the comprehensive operation and facilities evaluation report. The local reviewer will record the scores for each individual element on this form. The final rating for the operation and facilities evaluation will also be recorded here. In addition to standard 10-629, the local reviewer should have a copy of the operation and facilities evaluation report for each operating standard (appendix A) that will be a part of the evaluation. The operation and facilities reports for individual standards are 10-603 through 10-625.
- d. The local reviewer should compare the operation and facilities evaluation report form for each standard with the standard included in the concession contract. The standards may have been amended to be applicable to the concession operation and therefore may be missing certain elements that are listed on the standard operation and facilities evaluation report form. The local reviewer should circle the element numbers on the operation and facilities evaluation report form that are included in the concession contract and will compose the focus of the review. The local reviewer should perform a similar task for 10-629. Standard 10-629 lists all standards of operation; however, because the concessionaire will be evaluated on only those standards that are included in the concession contract, the local reviewer should note on 10-629 which standards will be used in the evaluation.
- e. Formal evaluations are generally to be performed with only a short notification window (e.g., 24 hours). Limited prior notice, to ensure that the concessionaire or a representative will be available, is advisable. When making operational evaluations of facilities housing several activities (e.g., overnight accommodations, merchandising, and food service), the general standard elements (usually those under the heading of facility exterior and facility interior) that are applicable to all activities should be evaluated in only one of the evaluation reports. However, there should be appropriate cross-referencing notations made on the other reports. For example, a building that houses a restaurant and gift shop is inspected and found deficient in external maintenance. That deficiency should be recorded only on the evaluation for one of the activities—either the restaurant or the gift shop. The concessionaire should not be penalized twice for the same deficiency. The same reporting procedure is to be followed on all subsequent operational evaluations.
- f. Informal “walk through” evaluations can and should be conducted at any time without notification. If the informal evaluation is in a public area, no concessionaire representative is necessary. If the informal evaluation is in

nonpublic areas, (e.g., kitchens, maintenance areas, or offices) there is a need to at least notify the concessionaire who may choose to have a representative present. Deficiencies found during an “informal evaluation” may become a part of a formal evaluation if the deficiencies are serious enough or if repetitions of earlier deficiencies are already noted. Generally, deficiencies noted on an “informal” inspection should be provided in writing to the concessionaire as a courtesy. These deficiencies need not become a part of the formal evaluation score.

- g. At the start of the operation and facilities evaluation, the local reviewer should enter, in the spaces provided on the operation and facilities evaluation report, all identifying data such as the concessionaire’s name and type of facility or service.
- h. During the onsite evaluation, all deviations from the guidelines for each applicable element should be described in appropriate detail under the “Evaluation Observations” portion of the operation and facilities evaluation report using the supplemental operation and facilities evaluation report, if needed. A review should then be made of all such deviations to determine which are meaningful deviations. A meaningful deviation could be a relatively small departure from the established standard, but it is frequent enough to indicate a general pattern of occurrence and, when taken together with other deviations, represents a significant deviation. A meaningful deviation need only be a one-time occurrence if it is a significant deviation. For example, it would not be meaningful to find a bulb burnt out in a lamp in just one of eight motel rooms. Bulbs out in several rooms would be a meaningful deviation. If the deviation is considered meaningful, a check should be placed after the appropriate numbered element in the appropriate evaluation report, Appendix B. If it is not meaningful, the remarks should remain in the evaluation report as a future reminder for the concessionaire and the local reviewer, but should not be counted as a deficiency.
- i. The total number of A, B, and C criteria found deficient in a single facility should then be calculated and entered in the space provided at the bottom. Regardless of the number of times an element is found deficient; it should be checked and counted only once. Ratings should be determined by the number of A, B, or C elements found deficient, not by the number of occurrences under an element.
- j. If no deficiencies are found, the local reviewer should assign a final rating of satisfactory.
- k. When necessary, another reviewer should perform a followup evaluation at the end of the correction period. The purpose of this evaluation is to determine whether the deficiencies have been corrected. The reviewer should note any deficiencies that have been corrected by marking the item as corrected on the concession operation report for the appropriate

standard of operation. Deficiencies that have been corrected and do not recur will not be counted when assigning the final rating.

- l. The final rating for the operation and facilities evaluation should be assigned using the comprehensive operation and facilities evaluation standard 10-629. The final rating should be based on the number of A, B, and C deficiencies present during the followup evaluation. Deficiencies that were present during the initial evaluation, but had been corrected before the followup evaluation, will not count against the concessionaire’s final rating. The following scale should be used to assign the final rating.
- m. The reviewer should immediately notify the regional director in the case of an unsatisfactory rating.

**Operation and facilities evaluation rating scale**

<b>Numerical Rating</b>	
<b>Satisfactory</b>	
5	Always meets standards. No first priority (A) or second priority (B) deficiencies exist. Very few, if any, third priority (C) deficiencies exist. Consistently provides outstanding visitor facilities and services.
4	Almost always meets standards. No first priority (A) deficiencies exist. Second priority (B) and minor third priority (C) deficiencies may exist.
<b>Marginal</b>	
3	Usually meets standards. A few First priority (A) deficiencies exist. Second priority (B) and third priority (C) deficiencies may exist.
<b>Unsatisfactory</b>	
2	Many major (A and B) deficiencies exist. Generally does not meet standards.
1	Fails to meet most rating criteria. Overall performance is inadequate.

## **C. PUBLIC HEALTH SERVICE INSPECTIONS (OR EQUIVALENT)**

### **1. Overview**

The primary goal for the sanitation inspections is to ensure compliance with health standards by avoiding health hazards. An effective inspection system must not only identify hazards and rate the concessionaire’s performance, but must also assign responsibility for correction and followup to ensure that some action is taken. Correcting concession operational and equipment deficiencies will be the concessionaire’s responsibility. Correcting deficiencies in Government buildings, however, may be the responsibility of Reclamation, unless the concessionaire is assigned maintenance responsibility for the Government buildings.



Onsite inspections will be performed semiannually by a representative of the U.S. Public Health Service (PHS) and will cover all food service facilities. The most current Food and Drug Administration/PHS Food Code will be the standard for inspections.

## **2. Instructions for Conducting Public Health Service Inspection**

- a. The area manager or delegate should make arrangements for a PHS representative to conduct an onsite inspection of the concession operation. Inspections are generally to be unannounced. However, limited prior notice may be given when necessary to ensure that the concessionaire or a representative will be available to accompany the PHS reviewer or sanitarian. Discretion should be used regarding appropriate timeframes (e.g., food service evaluations should not be conducted during busy meal periods).
- b. Upon completion of an inspection, the food sanitation inspection report (form 10-622) will be completed by the PHS representative or other sanitarian before leaving the area. All critical and noncritical code violations will be identified on the PHS inspection report. A specific explanation of the violations shall also be noted on the report.
- c. The sanitarian will discuss the report with the area concession specialist (or another concessionaire staff member assigned for the purpose) and a Reclamation representative, who will, together, identify particular violations, if any, which are the responsibility of Reclamation to correct. Reclamation deficiencies will not affect the concessionaire's rating. The area or field office representative should, at that time, also make the necessary adjustments to the report on the line immediately below the PHS rating score labeled "Public Health Rating (adjusted for Reclamation deficiencies)."
- d. The sanitarian shall designate specific target correction dates for each violation based on the severity of the code violation, using his or her professional knowledge. In the absence of such designation, and as a general rule, all violations should be assigned a correction period of 15 days following the initial sanitation inspection. The area and field office representatives should then give a copy of the adjusted report to the concessionaire and point out respective responsibilities. Where correction of an item or items requires a large monetary expenditure, all responsible parties should discuss the issues and mutually agree upon correction dates. This does not preclude modifying or discontinuing parts or all of the concessionaire's operation until the violation is corrected.
- e. A followup inspection will be performed at the end of the correction period to determine whether the deficiencies have been corrected. Reinspections are to be made by the person making the original inspection

or, where that is not possible, by another qualified individual. The PHS representative conducting the followup inspection will note on the original inspection form which deficiencies have or have not been corrected.

- f. A final rating will be assigned based on the following scale:

<b>Public health service inspection rating scale</b>	
<b>Rating</b>	<b>Criteria</b>
Satisfactory	No imminent health hazards. General compliance with timeframes for correction approved and directed by PHS authority. No repeat critical violations remain uncorrected.
Marginal	May have imminent health hazards. Some noncritical code violations remain uncorrected beyond correction period.
Unsatisfactory	May have imminent health hazards. Critical and noncritical code violations remain uncorrected beyond correction period

- g. The area manager should immediately notify the regional office and the Director of Operations in the case of an unsatisfactory rating for the PHS inspection.

### **3. Unofficial or Courtesy Inspections**

The area manager or a designated, trained staff member may, from time to time, inspect for conformity with PHS standards, as a courtesy. Such inspections are to help the concessionaire maintain standards and to aid in identifying potential problems. Such inspections, while beneficial, have no official standing and may not be considered in assigning ratings. Courtesy inspections may be made using a locally designed form or the regular PHS standard, provided that, if the PHS standard is used, the word “UNOFFICIAL” is printed in large letters at the top, and the concessionaire is made aware of its courtesy purpose.

## **D. SAFETY AND ENVIRONMENTAL EVALUATIONS**

### **1. Overview**

The safety and environmental evaluation is aimed at ensuring that safety hazards are minimized through compliance with safety standards and that strong environmental protection is achieved by the concessionaire’s operations. The safety performance standards are included in the concession contract in the “Risk Management” section. Environmental protection standards are included in the “Environmental Protection” section of the concession contract. To determine whether a concessionaire is meeting the requirements of these standards, an onsite annual evaluation of the concession operation will be conducted by a qualified Reclamation representative, coordinated through the area office. The concessionaire will provide Reclamation access to its records, including any

annual statistical information that may be required by the area manager. The safety and environmental evaluations can be conducted by reviewers during the same onsite visit, but require a separate evaluation report.

## **2. Instructions for Conducting the Safety Evaluation**

The Safety Evaluation is not a safety/risk management inspection but an evaluation of the required components and processes identified in the concession contract to determine if the concessionaire has established a safety program. The following are the instructions for conducting the Safety Evaluation.

- a. The reviewer should use a copy of the most current concession contract and a copy of 10-623, safety evaluation report.
- b. The reviewer should compare the risk management performance standards in the concession contract with the performance standards listed on the safety evaluation report. Some performance standards may have been omitted from the concession contract and therefore will not be used in the evaluation. The reviewer should circle the elements on the safety evaluation report that are included in the concession contract. (The full list of performance standards is included in the “Risk Management” section.)
- c. The evaluation contains six elements, each with specific standards. Each performance standard is designated either “A,” “B,” or “C,” which signifies the weight of that standard.
  - (1) First priority (A) deficiencies. – Conditions or practices that could significantly impair the health or safety of visitors or employees.
  - (2) Second priority (B) deficiencies. – Conditions or practices that could moderately impair the services essential to the health or safety of visitors or employees.
  - (3) Third priority (C) deficiencies. – Conditions or practices that could impair service essential to the health or safety of visitors or employees.
- d. The reviewer should obtain a copy of the concessionaire’s concession contract and circle the item number of each performance standard that has been identified as part of the concessionaire’s Risk Management Program. These are the items that will be evaluated.
- e. If a meaningful deficiency is found during the evaluation, the reviewer will place a check mark after the performance standard in which the deficiency is found to exist. A “meaningful” deficiency is one that impairs a concessionaire’s ability to provide a safe and healthful environment or safe and healthful services or facilities for visitors and

employees. All deficiencies require an explanation in appropriate detail in the narrative section of the evaluation report. A continuation sheet should be used if necessary.

- f. The total number of “A,” “B,” and “C” criteria found deficient should be calculated by the reviewer and then entered in the space provided at the bottom of the form. Regardless of the number of times a given performance standard is found deficient, it should be checked and counted only once. Ratings are determined by the number of “A,” “B,” or “C” standards found deficient, not by the number of occurrences under a specific performance standard.
- g. If no deficiencies are found, the reviewer should assign the final rating as satisfactory. If the reviewer finds deficiencies present in the concessionaire’s operation, the reviewer should notify the concessionaire of all deficiencies to be corrected and the time period for correction.
- h. The reviewer should perform a followup evaluation at the end of the correction period. The purpose of this evaluation is to determine whether the administrative deficiencies have been corrected. The reviewer should note any deficiencies that have been corrected by marking the item as corrected on the safety evaluation report. Deficiencies that have been corrected will not be counted when assigning the final rating if compliance has continued.
- i. The reviewer should assign the final rating upon completion of the followup evaluation. The reviewer should analyze the data and assign a numerical rating based on the rating criteria set forth below.

**Safety evaluation rating scale**

<b>Numerical Rating</b>	<b>Criteria</b>
<b>Satisfactory</b>	
5	Always meets or exceeds standards. No first priority (A), second priority (B), or third priority (C) deficiencies exist. Consistently provides a safe and healthful environment for all employees and visitors.
4	Almost always meets standards. No first priority (A) deficiencies exist. No more than two second priority (B) and two third priority (C) deficiencies exist. Provides a safe and healthful environment for all employees and visitors.
<b>Marginal</b>	
3	Usually meets standards. No more than one first priority (A) deficiency exists. No more than three second priority (B) and three third priority (C) deficiencies exist. Meets the minimum requirements of the Risk Management Program.
<b>Unsatisfactory</b>	
2	Multiple major deficiencies exist. More than one first priority (A) deficiency and more than three second priority (B) deficiencies exist. Generally does not meet standards.
1	Fails to meet the minimum criteria. Overall performance is totally inadequate.

- j. To provide flexibility in documenting deficiencies in an appropriate manner, the reviewer has discretion to adjust the rating by one point. This will allow the reviewer to assess the seriousness of the situation at hand and either raise or lower the numeric rating by one point. The justification for adjusting the rating must be fully documented on the evaluation form.

### **3. Instructions for Environmental Evaluation**

- a. The reviewer should obtain a copy of the most current concession contract and the environmental evaluation report, form 10-624.
- b. The reviewer should compare the required environmental protection standards included in the concession contract with the environmental protection standards listed on the environmental evaluation report. (The full list of environmental protection standards is included in appendix B, Standard 10-624, of the guidelines on environmental protection and pollution prevention.) The reviewer should compare the environmental evaluation report form to the standards included in the concession contract. The environmental standards in the concession contract may have been amended to be applicable to the concession operation. The reviewer should circle the item numbers on the environmental evaluation report that are also in the concession contract.
- c. The reviewer should inspect the concession operation to determine compliance with the environmental standards.
- d. Check the line next to any standard that is found deficient.
- e. The reviewer should calculate the number of “A” and “B” standards found deficient and then assign a rating based on the scale following (h), below.
- f. If no deficiencies are found, the reviewer should assign a final rating of satisfactory. If the reviewer finds deficiencies present in the concessionaire’s operation, the reviewer should notify the concessionaire of all deficiencies to be corrected and the time period for correction.
- g. The reviewer should perform a followup evaluation at the end of the correction period. The purpose of this evaluation is to determine whether the deficiencies have been corrected. The reviewer should note any deficiencies that have been corrected by marking the item as corrected on the environmental evaluation report. Deficiencies that have been corrected will not be counted when assigning the final rating.
- h. The reviewer should assign the final rating upon completion of the followup evaluation. The reviewer should analyze the data and assign a numerical rating based on the rating criteria set forth below.

### Environmental evaluation rating scale

Numerical rating	
Satisfactory	Criteria
5	Always meets or exceeds standards. No first priority (A) or second priority (B) deficiencies exist. Consistently provides a safe and healthful environment for all employees and visitors.
4	Almost always meets standards. No first priority (A) deficiencies exist. No more than two second priority (B) deficiencies exist. Provides a safe and healthful environment for all employees and visitors.
Marginal	
3	Usually meets standards. No more than one first priority (A) deficiency exists. No more than three second priority (B) deficiencies exist. Meets the minimum requirements of the Risk Management Program.
Unsatisfactory	
2	Many major deficiencies exist. More than one first priority (A) deficiency and more than three second priority (B) deficiencies exist. Generally does not meet standards.
1	Fails to meet the minimum standards. Overall performance is inadequate.

#### 4. Final Safety and Environmental Evaluation Ratings

If either the safety or environmental portion of the safety and environmental evaluation is unsatisfactory, the reviewer should notify the regional director.

## E. CONTRACT COMPLIANCE EVALUATION

### 1. Overview

The purpose of the contract compliance evaluation is to determine whether the concessionaire is adhering to the terms and conditions of the concession contract. The contract compliance evaluation will be conducted annually by Reclamation.

### 2. Instructions for Contract Compliance Evaluation

- a. The reviewer should obtain the most current concession contract for the concession under evaluation.
- b. A copy of the contract compliance report and the contract compliance checklist (standard 10-625) (see Appendix B of this chapter) must be used.
- c. The reviewer should inspect the concession facilities, operations, reporting, and investment and fee payment records to determine whether the concessionaire is in compliance with each of the items on the checklist. Once the reviewer has completed the evaluation, he or she

should assign the contract compliance rating. If the concessionaire has been in compliance with all the elements on the checklist for the entire period since the last evaluation, the concessionaire should receive a “satisfactory” rating. However, if the concessionaire has failed to comply with any item, especially for an extended period of time, that may be grounds for assigning an “unsatisfactory” rating. Each item for which the concessionaire is found not to be in compliance should be clearly documented and reported immediately to the area manager.

### 3. Checklist for Contract Compliance Evaluation

- a. **The IMP, CFIP, and RAFI Programs (item 1 of checklist, Appendix B).**—If the contract requires a CFIP, IMP, or RAFI program, the reviewer should review the contract and determine from the records if the concessionaire is in compliance with the terms of that section, including timing requirements and the dollar amount of expenditures as defined in the contract. (See e., Utilities, below.) For all improvements, the plans, drawings, and specifications must have been approved by Reclamation before initiation of the project, and the documented starting and completion dates should have been within the stipulated timeframes. Any deviations from the building program requires formal amendment of the contract and must be supported by a written request from the concessionaire stating circumstances beyond its control that warrant relief from any of the contract requirements.

Such items as the approval dates, program initiation and completion dates, elapsed time, followup correspondence, and the concessionaire’s responsiveness should be recorded.

If no building and improvement program is required, mark item 1 of 10-625 “N/A.” If the program has been completed, mark the form “YES.”

- b. **Operations and Services (item 2 of checklist).**—The reviewer should ascertain that all required services are being provided and that no unauthorized services are being offered. Determine if additional accommodations, facilities, and services are required and if they are being provided.
- c. **Personnel and Rates (item 3 of checklist).**—The concessionaire’s employees should be observed to determine (a) if there is an adequate number of employees to provide satisfactory service, (b) if they have received or need training (or both), and (c) if there is a need for visual identification as concessionaire employees.

Rates should be reviewed during the Concessions Review Program only if Reclamation has previously stipulated rates for a particular good or service, if Reclamation has received complaints, or if Reclamation has

reason to believe the concessionaire is charging unreasonable rates. Reclamation should review only rates for those goods and services for which Reclamation has reason to believe unreasonable rates are being charged.

- d. **Maintenance and Operations (item 4 of 10-625).**—All maintenance plans and the maintenance performance should be reviewed to determine if the concessionaire is providing required maintenance according to its plan and to the satisfaction of Reclamation.

The concession operations should be reviewed to ensure that they are in compliance with the Operating Plan as specified in the concession contract. This evaluation should not focus on compliance with the operating standards listed in the concession contract. Compliance with those standards is to be evaluated under the operation and facilities evaluation. This portion of the contract compliance evaluation should focus on all other aspects of the Operating Plan.

- e. **Utilities (item 5 of 10-625).**—The concessionaire’s contractual payment obligation for utility services should be checked against actual payments. If the concessionaire is overdue in paying for utilities provided by Reclamation, or if the concessionaire has not paid previous bills in a timely manner during the rating period, the concessionaire should not be considered in compliance with this section of the contract. However, such factors as (a) the amount of time that payments have been late; (b) correspondence or the lack thereof from Reclamation to the concessionaire, reminding the concessionaire of payments due; and (c) the concessionaire’s responsiveness to such reminders and collection efforts or other possible mitigating circumstances should be considered. For example, if Reclamation did not bill the concessionaire in a timely manner, but the concessionaire paid within a reasonable amount of time of receiving the bill, the concessionaire should not be rated as being in noncompliance with this element.

Utility rates should be determined as defined in the contract or as established in any rate policy written since the contract was awarded.

- f. **Accounting Records and Reports (item 6 of 10-625).**—If Reclamation does not receive a concessionaire’s Annual Financial Report (AFR) by the required deadline, or the AFR does not fully comply with the format, scope, and level of detail stipulated by contract, the concessionaire cannot be considered in compliance with the terms of the contract. If a satisfactory AFR is submitted late, the area manager may use his or her best judgment regarding the concessionaire contract. The area manager’s determination should reflect a range of factors, including how long past the deadline the AFR was received, the extent of Reclamation’s written



and verbal requests for the AFR, the concessionaire's responsiveness to those Reclamation overtures, and any mitigating circumstances that may explain or justify the delay.

- g. **Franchise Fees (item 7 of 10-625).**—If fees due Reclamation, including building use fees, have not been paid in a timely fashion by the concessionaire, the concessionaire cannot be considered to be in compliance with the terms of the contract. The review should identify each fee the concessionaire is required to pay and determine the schedule by which the concessionaire is required to submit such fees. Also, the contract should be checked to determine if interest charges are due on late fee submittals and if such interest has been paid.

If payments have been received late, the reviewer must use his judgment to determine the concessionaire's compliance with the terms of the contract. Such factors as (a) how late the payments have been; (b) correspondence from Reclamation to the concessionaire, reminding the concessionaire of payments due; (c) the concessionaire's responsiveness to such reminders and collection efforts, or (d) other possible mitigating circumstances, should be considered.

- h. **Bond and Lien (item 8 of 10-625).**—If a bond was required to guarantee performance of the contract, the amount and the date posted should be noted. If no bond was required, "N/A" should be checked on 10-625.
- i. **Insurance (item 9 of 10-625).**—Concession contracts require concessionaires to carry appropriate insurance. A review of the insurance carried should be made to determine its adequacy, and the findings should be documented. The reviewer should complete the insurance review checklist (see appendix B) and then use the insurance review checklist to complete section 9 of the contract compliance. A copy of the insurance review form should be attached to the area office copies of the contract compliance form.

## F. SUMMARY OF REPORTS

### 1. Operation and Facilities.—

Standard 10-629 - Operation and Facilities Evaluation Report  
Standard 10-603 through 10-620 - Review of Standards of Operation  
Standard 10-621 - Supplemental Worksheet

**2. PHS Inspection.—**

Standard 10-622 - PHS Food Sanitation Report

**3. Safety and Environmental Evaluation.—**

Standard 10-623 - Safety Evaluation Report

Standard 10-624 - Environmental Evaluation Report

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## **CHAPTER 8 – CONCESSIONS REVIEW PROGRAM – APPENDIX A STANDARDS OF OPERATION AND OPERATING PLAN**

It is the responsibility of the Bureau of Reclamation (Reclamation) to ensure that concessionaires provide satisfactory services to visitors. The purpose of the Operating Plan, which is included in the concession contract for each concession operation, is to establish standards of operation that ensure the provision of high-quality services. The Operating Plan also serves to establish coordination between Reclamation and the concessionaires for activities such as utility provision, snow removal, and wastewater treatment.

### **A. OPERATING PLAN**

The minimum standard Operating Plan is presented to each offeror as a part of the prospectus (exhibit G to the draft concession contract). Each offeror, as part of the proposal, will amend the provisions of the draft Operating Plan to provide improved operations. The final Operating Plan will incorporate any amendments approved by Reclamation.

The Operating Plan, once amended and approved by Reclamation, will become exhibit G to the concession contract for each concession operation. The Operating Plan sets forth standards of operation for each of the required or authorized services at the concession operation. These standards are the basis for evaluation under the Concessions Review Program. The reviewer will use the operating standards included in the Operating Plan to determine whether the concessionaire is operating to the satisfaction of Reclamation. The Concessions Review Program rating will be based, in part, on the degree of concessionaire compliance with these standards.

The Operating Plan can be revised as needed during the term of the concession contract. Both Reclamation and the concessionaire must sign the revised document; it is then attached to the concession contract, and the concessionaire must comply with the revised Operating Plan.

### **B. STANDARDS OF OPERATION**

The standards of operation (also referred to as operating standards) are included in the concession contract in the Operating Plan (subchapter 2-8, exhibit G); however, the concession contract for a particular concession may not contain all operating standards. The preparer of the concession contract will select applicable standards of operation for inclusion in the concession contract.

The standards of operation are the basis for evaluation under the Operation and Facilities Evaluation of the Concessions Review Program. This evaluation will determine concessionaire compliance with applicable standards of operation.

New standards may be added by inserting them in this section. Any additional standards must also be referenced in the Concessions Review Program. A Facilities and Operation Evaluation Report should be created for any new standards, and Form 10-629 should be amended to reflect the new standards.

# OPERATION AND FACILITIES STANDARDS

## GENERAL STANDARDS

The following general standard elements apply to almost all concession operations. There are, however, some instances in which individual elements contained in the operating standards include elements in addition to the general standard elements. In such cases, the operating standard element states that there are additional elements. Exhibits of the various operating standards and forms used in this program can be found in appendix A of this chapter.

### A. GENERAL STANDARD FACILITY EXTERIOR

1. **Structure Condition.**—The exterior of the buildings and other outdoor appurtenances should be in good physical condition, well painted or otherwise treated to protect against deterioration, and kept clean and in good repair. (B)
2. **Grounds.**—Grounds, including facility entrances, stairways, parking areas, trails, driveways, walkways, and other areas for which the concessionaire is responsible as outlined in the land assignment, should be well maintained, properly illuminated, uncluttered, and free of litter and debris. The grounds shall conform to the requirements identified in the Americans With Disabilities Act Accessibility Guidelines (ADAAG). (A)
3. **Public Signs.**—Public signs for which the concessionaire is responsible must be appropriately located, accurate, attractive, and well maintained. Signs of a permanent nature shall be prepared in a professional manner, consistent with Reclamation standards, appropriate for the purpose they serve, and approved by the area manager before installation. (B) or (C)
4. **Garbage and Trash.**—The concessionaire shall provide an effective system for the collection and disposal of garbage and trash within its areas of responsibility at the facilities. Waste should not accumulate in trash containers to the point of overflowing. There shall be a sufficient number of conveniently located trash containers to handle the needs of the area. Refuse shall be stored in receptacles that are covered, waterproof, and comply with all relevant construction standards that are specified by Reclamation. For instance, they may be required to be bear and vermin proof. State and county codes shall also be followed, if applicable. (A) or (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Public toilet areas shall be clean, odorless, free of litter, well illuminated, ventilated, and maintained. Toilet bowls, sinks, and urinals shall be clean, reasonably free of stains, and in proper operating condition. Toilet tissue, towels or air drying devices, and soap shall be provided. Walls, floors, ceilings, mirrors, waste receptacles, chairs, and other furnishings shall be clean and well maintained. Restroom facilities shall conform to the requirements identified in the ADAAG. (A)
6. **Public Signs.**—Public signs for which the concessionaire is responsible must be appropriately located, accurate, attractive, and well maintained. Signs of a permanent nature shall be prepared in a professional manner consistent with Reclamation standards, appropriate for the purpose they serve, and approved by the area manager before installation. (C)
7. **Public and Other Areas.**—The lobby, offices, storerooms, workrooms, ticket booths, tackrooms, corridors, and other spaces shall be clean, properly illuminated, and well maintained. All furniture provided should be commensurate with the size of the area and its intended purpose, present a well-organized and uncluttered appearance, and be in good repair. Chairs, lamps, tables, ash trays, draperies, and other furnishings shall be appropriate and adequate for visitors' comfort. Floors must be clean and free of litter and stains. Vinyl floor coverings must be clean; waxed or buffed; and free of cracks, chips, and worn places. Masonry tile or flagstone grouting must be in good repair and clean. Wood floors are to be clean and waxed or otherwise sealed. Carpeting must be clean, reasonably free of stains, and in good repair. Walls and ceilings are to be free of breaks and stains and have a fresh appearance. Windows must be clean and free of breaks. Public and other areas shall conform to the requirements identified in the ADAAG. (B)

## C. OPERATIONS

8. **Employee Performance.**—An active training program for the development of the necessary skills and techniques to work at a concession should be provided for all employees.

These training programs should stress work performance and shall also include training in product and service presentation, cleanliness, employee attitudes, and Reclamation philosophy and policy. Performance should be indicative of good training. (A)

9. **Employee Attitude.**—Each employee is to project a hospitable, friendly, helpful, and positive attitude and be capable and willing to answer visitors’ questions about both the job and the general area. (A)
10. **Employee Appearance.**—The concessionaire is required to have employees who come in direct contact with the public wear a uniform by which they may be known and distinguished as the employees of the concessionaire. The concessionaire shall require employees to exercise courtesy and consideration in their relations with the public and present a neat, clean, and otherwise attractive personal appearance. (A)
11. **Operating Hours.**—All facilities and services shall be operated in accordance with the hours authorized by the area manager or as specified in the Operating Plan or rate schedule. Hours of operation shall be prominently displayed at each facility in such a manner as to be easily visible to the public. (B)
12. **Staffing.**—All facilities and services (e.g., registration areas, tour and transportation services, and rental services) must be properly staffed so as to prevent undue delays. In determining what constitutes an undue delay, consideration shall be given to the kinds and types of service being rendered and situations or conditions beyond the control of the concessionaire (e.g., unanticipated influxes of visitors, facility or equipment breakdowns, and sudden weather changes). The reasonableness of the delay, based on the above, should be the determining factor. (A)

## D. RATES

13. **Authorized Rates.**—At its discretion, Reclamation may stipulate rates for goods and services at the concession. Rates offered by the concessionaire shall be consistent with any rates stipulated by Reclamation. If Reclamation has not stipulated rates for a particular good or service, it is not necessary to review the rates for that good or service. (A)
14. **Posting of Rates.**—Rates shall be prominently posted in sales areas (point of purchase), as necessary. (B)
15. **Sales Verification.**—Sales must be accurately and legibly recorded. Receipts shall be given for purchases when requested. (C)

**E. OTHER**

- 16. Vending and Ice Machines.**—Vending and ice machines and their location shall be easily identified, adequately illuminated, conveniently located as approved by Reclamation, clean, properly stocked, and in good working condition. (B)
- 17. Beverage Container Guidelines.**—Local requirements for beverage containers must be followed for all beverage sales, including sales from vending machines. Any State mandatory deposit law must also be followed. (B)



# OPERATING STANDARDS FOR FOOD AND BEVERAGE SERVICE – STANDARD 10-603

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2 (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4 (A)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7.  
Exclude dining rooms from this section. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Operating Hours.**—Refer to General Standards, element 11. (B)
12. **Staffing.**—Refer to General Standards, element 12. (A)

## D. RATES

13. **Menus.**—Menus should be clean and attractive and be appropriate for the facility and services provided. A sufficient number of menus shall be available to accommodate the customers. The menu should provide a reasonable variety and sufficient number of moderately priced items or

entrees for the type of facility. Handwritten changes on the menu are to be kept to a minimum and are acceptable only if the corrections are neatly made. Menu boards for cafeterias and snackbars should be posted and arranged so that they are easily seen. However, in lieu of a menu board, individual prices may be provided at the various stations (salad, dessert, beverage, hot food, etc.). Reduced portions and appropriately priced food items should be provided for children where complete meal service is offered.

(B)

14. **Authorized Rates.**—Refer to General Standards, element 13.

(A)

## E. FOOD AND BEVERAGE SERVICES

15. **Food Availability.**—The items listed on the menu or menu board (for cafeterias and snackbars) should be available during the entire serving period. “Running Out” of certain food items may occur occasionally, but should be kept at a minimum. Substitutions are to be comparable to the original item.

(B)

16. **Availability of Condiments.**—Where table service is provided, condiments should be on the table, or the usual condiments should be provided when the food is served. For cafeteria and snack bar operations, the condiments should be convenient and so located as not to impede the speed of service. The condiment area should be kept clean and replenished as necessary.

(B)

17. **Customer Attention.**—Where table service is provided, customers should be seated and provided a menu within a reasonable period of time upon entering the facility. Customers should be seated on a first-come basis.

If reservations are accepted, they are to be scheduled so that customers are seated at the time of their appointed reservation. Highchairs or other suitable chair lifts for children shall be available and provided immediately when requested.

(B)

18. **Food Temperatures.**—Food should be served at appropriate temperatures. The evaluator should use reasonable judgment in determining this requirement—cross reference with PHS.

(B)

19. **Food Prepared to Order.**—For table service operations, entrees which are customarily cooked to order should be prepared in accordance with the diner’s wishes.

(B)

- 20. Merchandising.**—Foods should be attractively presented, free of discoloration, and arranged on plates so that they are not intermingled. Garnish should be used as is customary and should be attractive and have a fresh appearance. Plate rims should be free of food, juices, and drippings. Special attention should be given to attractively displaying food on cafeteria counters, and countertops should be appropriately decorated and clean. Glass fronts should be clean and free of condensation. (C)
- 21. Table Appearance.**—Tables should be properly set, and linens and place mats should be clean and unsoiled. Tables should have salt, pepper, and sugar. Ash trays (if smoking is allowed) and napkins should be neatly and uniformly arranged. If table decorations are provided, they should have a fresh appearance and be neatly arranged. (B)
- 22. Tableware.**—Dishes, flatware, and glasses are to be clean, unspotted, and free of discoloration, chips, and cracks. (A)
- 23. Guest Checks.**—At table service restaurants, checks should be presented upon completion of the meal. They should clearly state the cost of each meal or item and be accurately totaled. Individual checks should be provided on request. (C)
- 24. Furniture Arrangement and Condition.**—Tables should be arranged so that diners are not crowded, have a feeling of privacy, and can be seated without disturbing other guests. All furniture is to be clean and well maintained. Cardboard, napkins, or other material should not be used to stabilize tables and chairs. (C)
- 25. Floors, Walls, Ceilings, and Windows (Dining Room).**—Floors and floor coverings must be clean, free of litter stains, and well maintained. Vinyl floor coverings must be reasonably polished and free of breaks, chips, or worn places. Masonry tile or flagstone grouting must be in good repair and clean. Wood floors are to be waxed or otherwise sealed. Carpeting must be clean and free of stains. Walls, ceilings, and windows are to be clean and free of cracks, breaks, and stains and have a fresh appearance. (B)
- 26. Environment.**—Food and beverage seating areas are to be well ventilated, free of unpleasant odors, properly decorated, and illuminated for the type of facility. (B)
- 27. Employee Meal Hours.**—Employees, while on duty, should be assigned periods to eat or take coffee breaks that do not interfere with serving the public. A specific location is to be designated for this purpose. (C)

## F. BEVERAGES

28. **Beverages.**—Serving drinks and other beverages shall be in accordance with the area manager’s prior approval. (B)
29. **Drink Presentation.**—The proper type of glass and garnishment (lemon, lime, celery stick, etc.) is to be used as is customary in the industry. (C)
30. **Liquor Laws.**—All applicable Federal, State, and local laws concerning liquor service shall be observed. (A)
31. **Vending.**—Refer to Operation and Facilities Standards, General Standards, E. Other, element 16, above. (B)
32. **Beverage Container Guidelines.**—Refer to Operational and Facilities Standards, General Standards, E. Other, element 17, above. (B)

# OPERATING STANDARDS FOR OVERNIGHT ACCOMMODATIONS – STANDARD 10-604

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (A)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7.  
This does not apply to specific lodging rooms. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Reservation and Deposit Refunds.**—Reservation cancellation and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, the rate schedule, and the concession contract as approved by the area manager. (B)
12. **Identification of Area.**—Each lodging facility must have an adequate and easily identifiable area for registration and checkout purposes. (C)

13. **Operating Hours.**—When closed, instructions for contacting the management and procedures to follow in the event of emergencies are to be conspicuously posted and illuminated. (B)
14. **Staffing.**—Refer to General Standards, element 12. (A)
15. **Room Availability.**—Rooms shall be made available to guests within a reasonable period. Guests should not be required to wait in excess of 2 hours from the established checkout time for the facility and never past 4 p.m. Security shall be provided for visitors' luggage until their rooms are usable. Accessible and nonsmoking rooms must be available. (B)
16. **Informational Material.**—General area and concession information, such as operating hours for area and concessionaire services and activities, shall be available in the registration area. (C)

#### D. RATES

17. **Authorized Rates.**—Refer to General Standards, element 13. (A)
18. **Posting of Rates.**—In addition to General Standards, element 14, rates will be posted in individual rooms or conspicuously posted at the registration area. (B)

#### E. ROOM HOUSEKEEPING AND SERVICES PROVIDED

19. **Room Organization.**—Rooms must contain adequate space for guests to move about comfortably and contain no unnecessary furniture or oversized furniture that causes a congested appearance.
- Furniture should be well organized and should not impede free movement within the room.
- Accessible rooms must conform to the requirements outlined in the ADAAG. (A)
20. **Furniture and Furnishings.**—Each guest room is to be adequately furnished and equipped with accessories to meet visitor needs. Adequate furnishings include a sufficient number of chairs, tables, waste baskets, ash trays, coat hangers, and luggage racks. All furniture and accessories are to be clean, free of dust and stains, and in good condition. All room elements should be color coordinated. (B)

- 21. Window Coverings.**—All window coverings, including draperies, blinds, and shades, must be cleanable and designed to provide for the guests' privacy. Such coverings must effectively shut out annoying light from outside sources. (B)
- 22. Floors, Walls, Ceilings, and Windows.**—Floors and floor coverings must be clean; untorn; free of litter, mildew, and stains; and in good repair. Vinyl floor coverings must be highly polished, free of cracks, chips, or other wear; masonry tile grouting must be in good repair and clean; and wood floors are to be polished or otherwise sealed. Area rugs must be treated to prevent slippage. Walls, ceilings, and windows must be clean and free of defects such as cracks, breaks, torn coverings, and stains. (B)
- 23. Bedding.**—Each bed must be made up with two sheets, one mattress pad, pillow(s) and pillow case(s), blanket, and a bedspread. All bedding must be clean, untorn, free of stains, and of the proper size for the mattress. Depending on location and climate, a second blanket for each bed should be available, preferably in the room, but at a minimum, obtainable at the registration desk. (A)
- 24. Bed Condition.**—Mattresses are to be clean, odorless, nonsagging, free of lumps and protruding tufts, and sized to fit the bedframe or springs. Springs are to be nonprotruding, quiet, and unbroken. Frames are to be dust free and in good repair. (A)
- 25. Illumination.**—Sufficient lamps must be provided to properly illuminate the room. Lamps for reading or writing purposes must be provided, and the bulbs must be at least 75 watts or 20 candlepower. However, the bulb wattage is not to exceed the specification printed on the specific light fixture. (C)
- 26. Environment.**—Guest rooms are to be well ventilated, odorless, and free of insects and rodents and evidence thereof. Doors and windows, including screens, are to be sufficiently tight to preclude the entry of rodents and insects. (B)
- 27. Security.**—All doors and windows accessible to the room must have adequate, operable locking devices. Locks must be changed as necessary to preclude key duplication and theft problems. Doors must have a double locking system from the inside. Entry doorways must be sufficiently illuminated to allow easy access. (A)
- 28. Utilities and Appliances.**—Heaters, air conditioners, and other appliances (stoves, refrigerators, cooking and eating utensils, etc.) must be in good condition, operable, adequate, clean, reasonably quiet, and available as required by the area manager. (B)

29. **Vending.**—Refer to General Standards, element 16. (B)
30. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

## F. BATHROOM

31. **Linen.**—Clean, quality linens, in good condition, shall be provided in each bathroom. There shall be one large bath-size towel, one hand towel, and one face cloth per person. Each bathroom shall also have one bath mat of adequate size. In the event baths are used in common (one bath shared by several rooms), linens are to be placed in the guest room. (A)
32. **Soap.**—There shall be at least one individually wrapped soap bar per person. In the event bathrooms are used in common (one bath shared by several rooms), the requirement remains the same, and supplies shall be placed in the guest room. (B)
33. **Toilet and Facial Tissue.**—Toilet and facial tissue must be of good quality and conveniently located. One roll or package of toilet tissue must be held in reserve and conveniently located. Facial tissue shall be provided in each unit bathroom. Toilet facilities used in common with a number of rooms must have a supply of toilet tissue in reserve. The supply of toilet tissue should be conveniently located. (B)
34. **Drinking Containers.**—For each person, there must be one sanitized, wrapped, drinking glass or single-service cup. Where unwrapped single-service cups are used, they must be stored in a clean, properly sized, enclosed dispenser that is designed for that purpose. When ice is available, each room is to contain a clean ice bucket. (B)
35. **Wastebaskets.**—Each bathroom shall contain one clean wastebasket that is in good repair. (C)
36. **Shower Enclosures.**—Shower or tub curtains must be untear, clean, and free of mildew. They shall be of sufficient length and width to prevent water from flowing onto the floor. Other types of enclosures (hinged and sliding doors) must meet the above criteria and, in addition, be easily moveable and free of breaks. Sliding-door tracks must be clean and in good repair. (B)
37. **Tubs and Showers.**—Showers and bath tubs shall be clean, unspotted, reasonably free of stains inside and out, and in good condition. Tubs and showers must be equipped with either a nonslip mat or constructed with nonskid surfaces or strips that are tightly secured, untear, clean, and free of mildew. (A)



- 38. Fixtures.**—Toilets, sinks, faucets, tissue dispensers, mirrors, towel racks, light fixtures, etc., shall be clean, unpitted, and free of cracks. (A)
- 39. Environment.**—Bathroom areas shall be clean, well ventilated, free of litter and offensive odors, and well maintained. Floors, walls, ceilings, doors, and windows should be clean and mildew free. (A)

# OPERATING STANDARDS FOR MERCHANDISING OPERATIONS – STANDARD 10-605

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Display, Sales, and Other Areas.**—In addition to General Standards, element 7, the following shall apply. Display areas and aisles shall not be cluttered or crowded. Shelving and other display fixtures may be rustic, if appropriate, but must be of high quality, in good taste and of pleasing appearance, and be suitably finished so as to be easily cleaned and maintained. Professionally manufactured display equipment is recommended. Hanging or displaying a variety of merchandise from rafters or ceilings, over windows, in doorways, or in the aisles is not acceptable unless the items are normally hung that way in ordinary use. Overall, the shops shall have an uncluttered appearance. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)

11. **Operating Hours.**—Refer to General Standards, element 11. (B)
12. **Staffing.**—Refer to General Standards, element 12. (A)

#### D. RATES

13. **Authorized Rates and Labeling.**—All merchandise must be properly tagged as to selling price. Use of stickers, grease pencils, or stringed price tags is acceptable. Identical items may be marked by display area, rather than individually marked. Pricing labels, however, shall not conceal point of origin (if foreign made) or other identification. Merchandise fabricated from animal skins must be labeled to indicate that skins were obtained from legally authorized sources and are not from threatened or endangered species. The manufacturer of such merchandise must certify in writing to the concessionaire that its products meet these requirements. Articles sold as genuine Indian or Eskimo handcraft shall be so labeled. Such items can be identified by display, provided the display is exclusively native handcraft. The authenticity of each item shall be clearly stated so as to distinguish it from commercial or machine-made Indian or Eskimo merchandise. Intermingling of other items of different origin is not permissible. Such handcraft items shall be physically separated from manufactured facsimiles, from novelty items, from foreign imports, etc., to reduce purchaser confusion. Handcraft merchandise shall be clearly visible to attract visitors and promote sales. (A)
14. **Sales Verification.**—Refer to General Standards, element 15. (C)

#### E. MERCHANDISE

15. **Authentic United States Handcraft and Indian or Eskimo Handcraft.**—Such merchandise shall be checked to see if it is given preferred treatment in the selection, display, and sales promotion and to see if it meets the following production standards: (A)
- Is predominately handmade and by Tribes indigenous to the local area.
  - Is predominately individually produced under conditions not resembling an assembly line of the factory system.
  - Is produced using only devices or machines that allow the manual skill of the maker or makers to condition the overall shape and design of each individual product.

- 16. Other Unique Merchandise.**—Articles or items associated with or that are part of the interpretation of the area or the same geographical regions in which the concession shop is located. (B)
- 17. Other Acceptable Unique Merchandise.**—The sale of other unique items is permitted under the following conditions: (B)
- a. Commercially or machine-manufactured Indian-type merchandise, including articles that copy the design of handmade jewelry and craft items may be sold, provided it is labeled individually or collectively.
  - b. Foreign imports must be properly labeled to indicate the origin of manufacture. They should not, however, be handled in such quantity as to exclude other merchandise.
  - c. Merchandise symbolic or representative of natural items found in the area but not originating on Reclamation lands must be labeled and identified so as to indicate their origin. Plant materials or other naturally occurring materials originating on Reclamation lands cannot be sold without written permission.
  - d. Animal skins, fabricated into such items as leather gloves, skirts, jackets, and mukluks may be sold, provided they are obtained from legally authorized sources and are not from threatened or endangered species.
  - e. Souvenir or novelty articles such as pennants, sweatshirts, T-shirts, or linens that identify the area by name, decal, picture of the area, or popular feature may be sold.
  - f. Outdated merchandise, such as film and other items where spoilage is not a problem, may be sold at a discount rate provided that it is properly labeled as being outdated and is displayed separately from merchandise that has not exceeded the manufacturer’s “Do not sell after” date.
- 18. Unacceptable Merchandise.**—The following merchandise is unacceptable for sale: (A)
- Articles that people of normal sensitivity might consider obscene, sexually oriented, suggestive, indecent, blasphemous, profane, vulgar, or in ridicule of established institutions, people, or customs, including merchandise that is harmful or hazardous.
  - Archeological specimens or objects of American Indian origin, such as pottery or arrowheads more than 100 years old, regardless of the place of origin.

- Plant materials or natural plants and animals and products there from, including animal skins, taxidermal specimens, and imported and domestic skins or parts of animals, except as permitted in 17(d) above.
- Merchandise that is subject to spoilage and has exceeded the producer’s specific “Do not sell after” date.

**F. OTHER**

**19. Vending.**—Refer to General Standards, element 16. (B)

**20. Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR AUTOMOBILE SERVICE STATIONS – STANDARD 10-606

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—In addition to General Standards, element 2, the following shall apply. Oil and gas spills are to be cleaned immediately. Waste receptacles must be conveniently located at the gas pumps and be well maintained and emptied as needed. If curbs are painted, they shall be repainted as necessary to be maintained in a satisfactory condition. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)

## B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 5. (A)
5. **Public Signs.**—Refer to General Standards, element 6. (C)
6. **Public and Other Areas.**—In addition to General Standards, element 7, all tools, auto lifts, compressors, and other equipment shall be clean and well maintained. (B)

## C. OPERATIONS

7. **Employee Performance.**—Refer to General Standards, element 8. (A)
8. **Employee Attitude.**—Refer to General Standards, element 9. (A)
9. **Employee Appearance.**—Refer to General Standards, element 10. (A)
10. **Operating Hours.**—Refer to General Standards, element 11. (B)
11. **Staffing.**—Refer to General Standards, element 12. (A)

## D. RATES

12. **Authorized Rates.**—In addition to General Standards, element 13, gasoline pumps must display evidence of having been calibrated by an appropriate regulatory authority. (A)
13. **Posting of Rates.**—Refer to General Standards, element 14. (B)

## E. AUTOMOBILE MAINTENANCE

14. **Preventive Car Care.**—Customers must be provided windshield cleaning equipment, paper towels, and an air pump at no cost. (B)
15. **Required Supplies.**—Automotive supplies that are customary for the industry, such as fuses, headlamps, flares, approved loaner gas cans, oil, battery fluid, radiator water or coolant, transmission fluid, pressurized air, radiator hoses, and fan belts should be available. If these supplies are not immediately available, the concessionaire should assist the visitor in obtaining them. (B)

## F. SERVICE

16. **Informational Material.**—The service station should have general information material available. Area maps (as available), as well as State road maps, as appropriate, must be available. (C)
17. **Products Sold (gas).**—Each service station must have available unleaded gasoline. (A)
18. **Recycle Program.**—The service station should have a program in place for the recycling of tires, batteries, fluids, and coolants. The recycling program should be documented. (A)
19. **Vending.**—Refer to General Standards, element 16. (B)
20. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR TRANSPORTATION SYSTEMS – STANDARD 10-607

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Operating Hours.**—In addition to General Standards, element 11, the concessionaire is to abide by approved operating schedules that include (1) departure times, (2) stops, (3) arrival times, and (4) designated routes. (B)
12. **Staffing.**—Refer to General Standards, element 12. (A)



## D. RATES

13. **Authorized Rates.**—Refer to General Standards, element 13. (A)
14. **Posting of Rates.**—Refer to General Standards, element 14. (B)

## E. VEHICLES AND VESSELS

15. **Maintenance.**—Vehicles must have an overall well-maintained and clean appearance. Interior and exterior must be in good physical condition. Vehicles must be reasonably free of rust and chipped or discolored paint. Preventive maintenance must be performed on each vehicle or vessel on a regularly scheduled basis. (B)
16. **Regulations.**—All applicable regulations related to the operation of vehicles and vessels must be followed (e.g., ICC, Coast Guard, Code of Federal Regulations Title 36, Parts 3 and 4). (A)
17. **Interpretation.**—Employees who are providing interpretive service in conjunction with transportation must be sufficiently trained to interpret attractions, comment on resources of the area, and explain area regulations. Interpretation must be accurate, pertinent, and complete. The concessionaire should consult with area staff in developing training. (B)

## F. OTHER

18. **Accessibility.**—Vehicles and vessels shall conform to the requirements identified in the ADAAG. (A)
19. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR MARINA FACILITIES – STANDARD 10-608

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1 (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Garbage and Trash.**—Refer to General Standards, element. No. 4. (B)

## B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 5. (A)
5. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

## C. OPERATIONS

6. **Employee Performance.**—In addition to General Standards, element 8, concessionaire employees working around fuel docks should demonstrate knowledge of handling emergency equipment and procedures for oil or fuel spills. (A)
7. **Employee Attitude.**—Refer to General Standards, element 9. (A)
8. **Employee Appearance.**—Refer to General Standards, element 10. (A)
9. **Operating Hours.**—Refer to General Standards, element 11. (B)
10. **Staffing.**—Refer to General Standards, element 12. (A)

## D. RATES

11. **Authorized Rates.**—In addition to General Standards, element 13, all space renters are to be given 30 days notice after a rate increase approval before new rates are made effective. (A)
12. **Posting of Rates.**—Refer to General Standards, element 14. (B)

13. **Sales Verification.**—Refer to General Standards, element 15. (C)
14. **Reservation and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, rate schedules, or operating agreements, as approved by the area manager. (B)

## E. SLIP RENTALS

15. **Rental Registers.**—Separate, up-to-date registers shall be kept for short-term and long-term renters of slips, moorings, and dry boat storage spaces. These registers shall be available for examination by authorized representatives of the Government. The registers shall include those items specified by the area manager and may include the name of visitor, date of rental period, registration number of the boat (State and local), description of the boat, and the space number assigned. (B)
16. **Order of Rental.**—The concessionaire shall maintain a waiting list on a first-come, first-served basis for the rental of buoys, slips, and dry boat storage spaces. (A)
17. **Rental Agreements.**—Written rental agreements, conforming to applicable legal requirements, shall be executed for each slip rental. The rental form must be approved by the area manager before adoption or use. (A)
18. **Authorized Types of Rentals.**—The concessionaire will not rent slips or moorings that are intended to be used or reserved by any persons for purposes of promotional display or sale of boats or boat accessories. (A)

## F. DOCK OPERATIONS

19. **Identification.**—Each slip and mooring must be numbered uniformly and be clearly marked by a number permanently installed. Marking of rental buoys must conform to applicable uniform State and Federal waterway marking systems. (B)
20. **Dock and Ramp Maintenance.**—The dock surface, flotation, and ramps must be in good repair, properly positioned, and secured. Docks must be sturdy and free of large cracks and uneven or broken planks, etc. Railings, where required, are to be in good repair and sturdy enough to support visitor use. (A)

21. **Dock Accessories.**—Cleats are to be properly placed and secured for use at each slip area. There shall be no loose or missing cleats. If required, bumper material must be available and in good condition. Other accessory items required in the Operating Plan or rate schedule must be available and well maintained. (B)
22. **Courtesy Docks.**—Courtesy docks shall not be rented. They must be conveniently located to the entire operation and equipped with adequate, well-maintained cleats and access ladders. The concessionaire will ensure that use of such docks will not exceed the time limits specified in the Operating Plan. (A)
23. **Dock Carts.**—If required, dock carts must be in good condition and in reasonable quantity to handle normal peak season demands. (C)
24. **Boat Sewage Pump Out.**—Sewage pump out stations, if required, must be available, clean, well maintained, and emptied on a regular basis. (B)
25. **Storage Lockers.**—Storage lockers, if provided, must have adequate ventilation, must be kept clean and painted, and must be of sturdy construction and uniform size (must not exceed the maximum size as determined by the area manager). (C)
26. **Transportation.**—If transportation services are provided in conjunction with dry boat storage operations, vehicles used to transport visitors must be clean, well maintained, and safe. (B)

## G. SAFETY

27. **Fuel Dock.**—Fuel docks, if provided, must be kept clean and free of debris. Safety equipment required by the Operating Plan, or as outlined in the National Fire Protection Association standards, must be available and well maintained. The concessionaire shall have a written procedure for handling oil or fuel spills, and any fuel spills shall be promptly reported to local Reclamation personnel as required by regulation. (A)
28. **Utility Lines.**—If utilities are provided, all utility lines and connections must be maintained in good, operable condition. (A)
29. **Security and Lighting.**—There shall be adequate outside lighting throughout the marina complex for the ramps, docks, slips, and other public areas for night time operations. After scheduled hours, lighting is to be reduced to only what is necessary to provide security in the marina complex. The slip rental area of the marina should have locked, controlled

security and should be accessible from land by slip renters only. Dry boat storage areas are to be properly secured as approved by the area manager. Security personnel shall be provided, as required, to protect visitor and concessionaire property. (B)

## H. OTHER

30. **Public Signs.**—In addition to General Standards, element 3. “No Smoking” signs and fueling regulations must be conspicuously located around refueling areas, and the concessionaire will post emergency telephone numbers around fuel dock areas. (A)
31. **Vending.**—Refer to General Standards, element 16. (B)
32. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR HORSE AND MULE OPERATIONS – STANDARD 10-609

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—In addition to General Standards, element 2, pay particular attention to the presence and condition of hosebib vacuum breakers (anti-siphoning devices). The grounds near public access food or overnight accommodation areas or other areas designated in the Operating Plan shall be cleared of manure and urine pools daily. Manure shall be removed from these designated areas a minimum of once a week. Other areas not mentioned above shall be cleared of manure according to the schedule in the Operating Plan. The concessionaire shall maintain areas around water troughs to prevent excess erosion or buildup of mud or water and will move stock to dry corrals, if necessary. Water troughs will be cleaned to prevent the buildup of mold, algae, and debris. (B)
3. **Garbage and Trash.**—Refer to General Standards, element 3. (A)

## B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 4. (A)
5. **Public and Other Areas.**—In addition to General Standards, element 5, non-public areas such as tackrooms, barns, storerooms, and ticket booths shall be maintained in such manner as to be hazard free. Adequate maintenance shall be performed on the walls, ceilings, and floors to prevent deterioration of the structure. Doors and windows shall be intact and fully functional. Floors shall be sufficiently clean to avoid presenting a tripping or slipping hazard to employees working there. Trash shall not accumulate. All applicable fire safety guidelines (NFPA) will be followed. Hazardous conditions such as broken glass, exposed wiring, and precipitously stacked objects will be avoided. (B)

## C. OPERATIONS

6. **Employee Training.**—The skill and competency levels of wranglers, guides, etc., is commensurate with the services they provide. Active introductory training and orientation programs for new and experienced employees shall be conducted on an ongoing basis for the development

and advancement of the necessary skills and techniques for the job. These sessions shall stress work performance, safety and first aid, employee attitudes, and knowledge of area resources, rules, and regulations. All wranglers shall be sufficiently trained to describe attractions, comment on resources of the area, and exhibit knowledge of area regulations and the purposes of the area in which they are riding. The concessionaire's personnel (wranglers, guides, etc.) must meet the qualification requirements, including first aid, stock handling, and area regulations, which are established in the Operating Plan. (A)

7. **Employee Attitude.**—Refer to General Standards, element 7. (A)

8. **Employee Appearance.**—Refer to General Standards, element 8. (A)

9. **Operating Hours.**—Refer to General Standards, element 9. (B)

10. **Staffing.**—Refer to General Standards, element 10. (A)

#### D. RATES

11. **Authorized Rates.**—Refer to General Standards, element 13. (A)

12. **Posting of Rates.**—Refer to General Standards, element 14. (B)

13. **Reservation and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, efficiently handled, and approved by the area manager. (B)

#### E. STOCK CARE

14. **Treatment of Stock.**—Stock must be properly cared for to ensure good feeding, stable, and shelter conditions. A timetable for cleaning stables and shelters and changing bedding must be adhered to, as established in the Operating Plan. Stock must be fed daily. Hay pellets and grain or corn are to be stored in covered, rodent-proof containers, but bales of hay may be stored in the open. Stock must be treated properly by the staff and visitors. Animal cruelty will not be tolerated. Shoes must be inspected frequently to ensure that the stock is properly shod and the hoof is in good condition. Stock may not be used when they have sores or are sick or are not otherwise ready for riding. (A)

15. **Stock Examination.**—All stock stabled in the area year round and stock brought into the area for commercial use should be examined by a licensed veterinarian each year before the start of operations. Stock must meet State and county regulations concerning immunizations, including equine infectious anemia. (A)
16. **Quantity of Stock.**—Stock shall be available as advertised and approved. (B)
17. **Quality of Stock.**—Cleaning and trimming requirements, as established in the Operating Plan, must be adhered to. Stock must be available to accommodate the inexperienced rider, and safe but spirited horses for knowledgeable riders. All stock must be capable of safely handling the types of terrain and obstacles to be encountered, including water crossings, bridges, logs and bushes, hills, altitude, and climate. A timetable for establishing stock familiarity with terrain must be adhered to, as established in the Operating Plan. (A)

## F. EQUIPMENT

18. **Tack Condition.**—Saddles, saddle bags, blankets, bridle, and other equipment used by the visitor while riding shall be in good and safe condition, clean, and well maintained. All equipment shall be periodically inspected by Reclamation to ensure adherence to this standard; any defective equipment shall be immediately repaired, removed, or replaced. (A)
19. **Adequacy.**—All equipment supplied by the concessionaire shall be of the type and quantity suitable to the guiding situations encountered within each respective area. (B)

## G. SAFETY

20. **First Aid Kit.**—The availability and type of first aid equipment, including snakebite instructions, required by the Operating Plan, if any, shall be provided. (A)
21. **Communication Equipment.**—Two-way radio or other communication devices, if required by the Operating Plan, shall be provided. (A)



## H. SERVICES

- 22. Trail Operation.**—Client to guide ratios, including any party size limitations, as advertised by the concessionaire, shall be adhered to, as specified in the Operating Plan. Guides shall position riders where best suited, with emphasis placed on the safety of inexperienced riders. The reins must be tied together instead of hanging separately, except where the area manager determines otherwise and where local customs dictate the use of split reins. (B)
- 23. Food Services.**—All food provided by the concessionaire on the ride shall be of sufficient quantity and quality to sustain visitors for the duration of the trip. Sanitary food and water handling and storage practices must be used in accordance with the Food and Drug Administration/PHS Food Codes to prevent food-borne illnesses. (A)

## I. ORIENTATION AND INTERPRETATION

- 24. Visitor Safety Orientation.**—The wrangler must brief all riders on proper and safe procedures, such as how to control the horse before mounting, and tell the riders how and when to dismount and how to pass the word for help (rider by rider) to the wrangler. Wranglers shall inform visitors of the nature and demands of the trip, including, but not limited to, route, timeframe, hazards to be encountered, restroom facilities, water availability, procedures for removing excess clothing, and procedures for taking pictures. The wrangler should be available to aid the riders in mounting and to assist the riders in securing carry-on articles, including raincoats. (A)
- 25. Pre-trip and Post-trip Activities.**—As required by the Operating Plan, before the ride, an interpretive session that includes introducing wranglers and their company may be conducted. The interpretive session should highlight the scenic, geologic, historic, cultural, and wildlife resources that might be observed on the trip. After the ride, a summary session may be held that identifies the specific features that were seen on the trip. Visitors may be asked for comments or questions and thanked for their participation on behalf of the concessionaire and Reclamation. (B)
- 26. Program Content.**—Information presented on a guided ride must be accurate, complete, appropriate to the audience, organized logically, and related to area themes. Concessionaires should consult with Reclamation staff in developing programs. (B)

- 27. Program Delivery.**—Wranglers shall demonstrate their ability to speak clearly, possess good eye contact with the visitor during pre- and post-trip activities, project good voice volume, and stimulate questions and comments from visitors. (B)

**J. OTHER**

- 28. Public Signs.**—Refer to General Standards, element 14. (C)
- 29. Vending Machines.**—Refer to General Standards, element 15. (B)
- 30. Beverage Container Guidelines.**—Refer to General Standards, element 16. (B)

# OPERATING STANDARDS FOR SUPPLEMENTARY INTERPRETIVE SERVICES – STANDARD 10-610

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8.  
Also, the formal training program is to include area regulations and management policies, interpretive skills, communication skills, awareness of the area visitor as an individual, understanding of area resources, and familiarity with interpretive techniques used in the area. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)

## D. RATES

11. **Authorized Rates.**—Refer to General Standards, element 13. (A)

## E. INTERPRETIVE OPERATIONS

12. **Program Content.**—Format and documents must be approved by the area manager to ensure that the activity fosters the public’s understanding of area resources and values, conforms to the central area theme, has a minimum adverse environmental impact, and accurately describes program objectives as intended for the audience. (B)
13. **Program Presentation.**—Programs or activities must convey a major interpretive theme as approved by the area manager. Judging performances should be based on knowledge obtained from the current or the most recent research and must be free of avoidable religious, cultural, and ethnic biases. (B)
14. **Advertising.**—Demonstrations, talks, etc., should be presented as depicted in brochures, etc. Dates, locations, duration, physical requirements, and learning experiences should correspond with published material. Also, refer to Form 10-611, element 11. (B)
15. **Public Safety.**—All programs or activities should be designed to ensure the safety and health of the public and staff in compliance with the Occupational Safety and Health Act, U.S. Public Health Service protection recommendations, and Federal Regulations and Safety Management guidelines. Safety considerations and precautionary information should be communicated to the visitor at the onset of and during the activity. (A)
16. **Attendance.**—The ratio between interpreter and number of visitors must be kept at a level that allows an activity to accomplish its goals. Each group should be limited to a size that prevents an adverse impact on area resources. (B)

## F. MEDIA

17. **Exhibits.**—A routine maintenance schedule should be followed to keep exhibits clean and in good repair. Each permanent exhibit should be inspected routinely to determine whether its content remains accurate and appropriate and whether its physical condition is satisfactory. (B)
18. **Audiovisual Program and Equipment.**—All audiovisual programs and associated equipment should be of acceptable technical quality and shall be kept clean. The content shall be kept current. (B)

19. **Publications.**—Concessionaire-produced publications should be kept accurate, up-to-date, and available in sufficient quantities to meet visitor demand. All publications (advertising matter) should depict the interpretive theme presented and meet established policies (Refer to CFR, Title 36, see 5.1.) (B)
20. **Media and Content.**—The program media are to be relevant and effective and they shall adhere to approved plans and service-wide guidelines for interpretation. (B)
21. **Communicating Effectively.**—Presentations should be organized and planned to smoothly and logically convey approved program material. Interpreter(s) should possess public speaking skills and exercise judgment and skill in such areas as the pretalk summary, the talk itself, questions and answers, and making announcements. (B)
22. **Culture or Role Presentations.**—Demonstrators or costumed interpreters should display activities or roles appropriate to the accurate portrayal of the skills, cultural attitudes, and values of the locality, person, and period being interpreted. (B)
23. **Costuming.**—All historic period costumes or dress used for interpretive presentations must be reproductions that meet standards of authenticity approved by the area manager. (C)

**G. OTHER**

24. **Vending.**—Refer to General Standards, element 16. (B)
25. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# **OPERATING STANDARDS FOR GROUP EMPLOYEE HOUSING – STANDARD 10-611**

## **INTRODUCTION**

The following standard elements apply to concessionaire group employee housing, including dormitories, tents, cabins, and trailers. However, many of these elements may not apply to all employee housing areas. Use only those elements that apply. They also do not apply to single family dwellings. Safety evaluations will be conducted on all employee housing under the applicable safety standards.

### **A. FACILITY EXTERIOR**

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—In addition to General Standards, element 3, a bulletin board shall be provided for employee and manager use. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (A)

### **B. FACILITY INTERIOR**

5. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

### **C. OPERATIONS**

6. **Staff Responsibilities.**—The concessionaire shall be responsible for designating a specific individual to ensure that the employee housing facilities are in compliance with Reclamation standards. (B)

## D. ROOM HOUSEKEEPING

7. **Room Organization.**—Rooms must contain adequate space to move about and must not contain unnecessary furniture or furniture sized out of proportion to the room. The room must not appear congested. Furniture should form a well-organized unit and be situated so that a good traffic flow is possible. (C)
8. **Furniture and Furnishings.**—Each room is to be equipped with adequate furnishings (e.g., chair, table, desk, and ash trays if smoking is allowed) to accommodate the occupants and yet avoid a congested appearance. All furniture and furnishings are to be clean and in good condition. (B)
9. **Window Coverings.**—All window coverings, including draperies, blinds, and shades, must be cleanable and designed to provide privacy. (B)
10. **Floors, Walls, Ceilings, and Windows.**—Floors and floor coverings must be clean, untorn, free of litter and stains, and in good repair. Vinyl floor coverings must be highly polished, free of cracks, chips, or other wear; masonry tile grouting must be in good repair and clean; and wood floors must be polished or otherwise sealed. Area rugs must be treated to prevent slippage. Walls, ceilings, and windows must be clean and free of defects such as cracks, breaks, torn coverings, and stains. (B)
11. **Bedding.**—All bedding must be clean, untorn, free of soil or stains, and must be of the proper size for the mattress. (A)
12. **Bed Condition.**—Mattresses are to be clean, odorless, nonsagging, free of lumps and protruding tufts, and sized to fit the bedframe or springs. Springs are to be nonprotruding, quiet, and unbroken. Frames are to be in good repair. (A)
13. **Illumination.**—Sufficient lighting must be provided to properly illuminate the room. Lamps for reading or writing purposes must be provided, and the bulbs must be at least 75 watts or 20 candlepower. However, the bulb wattage is not to exceed the specification printed on the specific light fixture. (C)
14. **Environment.**—Rooms are to be well ventilated, odorless, and free of insects and rodents and evidence thereof. Doors and windows, including screens, are to be sufficiently tight to prevent the entry of rodents and insects. (B)

15. **Security.**—All doors and windows accessible to the room must have adequate, operable locks. These devices should be changed, as necessary, to prevent key duplication and theft. Doors must have a double locking system from the inside. Entry doorways must be sufficiently illuminated to allow easy access. (A)
16. **Utilities and Appliances.**—Heaters, air conditioners, and other appliances (stoves, refrigerators, etc.) must be approved for use by Reclamation and be in good condition, operable, adequate, clean, and reasonably quiet. (A)
17. **Vending.**—Refer to General Standards, element 16. (B)
18. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

## E. BATHROOM

19. **Linen.**—If provided by the concessionaire, each employee must have available high quality, clean linen in good condition. (A)
20. **Toilet Tissue.**—Toilet tissue must be of good quality and conveniently located. One roll or package must be held in reserve and conveniently located. Toilet facilities used in common with a number of rooms must have a supply of conveniently located toilet tissue in reserve. (B)
21. **Wastebaskets.**—Each bathroom shall contain one clean wastebasket that is in good condition. Cardboard boxes are not acceptable wastebaskets. (C)
22. **Shower Enclosure.**—Shower or tub curtains must be untear, clean, and free of mildew. They shall be of sufficient length and width to prevent water from flowing onto the floor. Other types of enclosures (hinged and sliding doors) must meet the above criteria and, in addition, be easily moveable and free of breaks. Sliding door tracks must be clean and in good repair. (B)
23. **Tubs and Showers.**—Showers and bath tubs shall be clean, unspotted, reasonably free of stains inside and out, and in good condition. Tubs and showers must be equipped with either a nonslip mat or constructed with nonskid surfaces or strips that are tightly secured, clean, and free of mildew. (A)
24. **Fixtures.**—Toilets, sinks, faucets, tissue dispensers, mirrors, towel racks, light fixtures, etc., must be unpitted, free of stains, and in good condition. Mirrors must be clean and free of cracks. (A)



25. **Environment.**—Bathroom areas shall be clean, well ventilated, free of litter and offensive odors, and well maintained. Floors, walls, ceilings, doors, and windows shall be clean and mildew free. (A)

**F. OTHER**

26. **Storage.**—Adequate storage areas, shelving, etc., shall be provided so that all employee possessions and personal equipment are properly stored. Gasoline-powered equipment may not be stored in or adjacent to the living quarters. (B)

27. **Parking.**—Employee’s vehicles shall be parked in designated areas. Parking of additional vehicles, boats, trailers, and other equipment is to be in areas approved by the area manager. (C)

28. **Pets.**—The keeping of pets must be in accordance with area rules and regulations. (B)

# OPERATING STANDARDS FOR PUBLIC SHOWERS AND LAUNDRIES – STANDARD 10-612

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 5. (A)
5. **Public and Other Areas.**—In addition to General Standards, element 5, the open laundry area must be equipped with chairs appropriate in number to the size of the area and the number of machines provided. Tables or other suitable surfaces will also be available for patrons to sort and fold clean laundry. Ash trays, if smoking is allowed, and waste receptacles of noncombustible materials are also to be provided. (B)

## C. OPERATIONS

6. **Employee Performance.**—Refer to General Standards, element 7. (A)
7. **Employee Attitude.**—Refer to General Standards, element 9. (A)
8. **Employee Appearance.**—Refer to General Standards, element 10. (A)
9. **Operating Hours.**—Refer to General Standards, element 11. (B)

## D. RATES

10. **Authorized Rates.**—Refer to General Standards, element 13. (A)
11. **Posting of Rates.**—All rates shall be prominently posted for clothes washers, dryers, and showers. The length of time allotted for that rate shall be prominently posted for clothes dryers and timed showers. (B)

## E. PUBLIC SHOWERS

12. **Shower Enclosure.**—Shower curtains must be of sufficient length and width to fit the shower stall and to prevent water from flowing onto outer areas as well as to ensure privacy to the occupant. The enclosure must be clean, free of mildew, untorn and unbroken, and otherwise in good condition. The shower and enclosure must meet the standards outlined in the ADAAG. (A)
13. **Shower Stall.**—Shower stalls, including floors, walls, ceilings, doors, and attachments, must be clean, well maintained, ventilated, and free of litter, mildew, and offensive odors. Shower floors must be equipped with either a non-slip mat or constructed with nonskid surfaces or strips that are securely fastened. The shower stall shall meet the standards outlined in the AADG. (A)
14. **Water Supply.**—Water pressure and temperature should remain constant and be comfortable. Extreme fluctuations should not occur. If faucets are provided, they must be accurately marked and operational. (A)
15. **Dressing Area and Clothes Storage.**—Either lockers or clothes hooks are to be provided and located in close proximity to the shower stall. A dressing area is to be provided and should contain adequate seating. (B)
16. **Security.**—Arrangements for the safekeeping of patrons' valuables should be provided, or signs shall be conspicuously posted stating that the management is not responsible for patrons' valuables. (B)
17. **Soap and Towels.**—If required in the Operating Plan, towels are to be of large bath size, good quality, good condition, and clean. Soap shall be individually wrapped or obtained from a soap dispenser. (A)

## F. LAUNDRY FACILITIES

18. **Vending.**—In addition to General Standards, element 16, all washers, dryers, and other vending equipment must be clean, well maintained, reasonably free of rust, and unspotted. Any equipment that is out of order must have a sign so stating and be returned to service as soon as possible. (B)
19. **Laundry Supplies and Change.**—Soap, bleach, and change must be available in close proximity to the facility. (B)

## G. OTHER

20. **Public Signs.**—In addition to General Standards, element 6, operating instructions for timed showers and laundry equipment must be prominently posted in the shower or laundry area. Operating instructions for laundry equipment may be posted on the machines themselves. (B)
21. **Timing.**—Mechanical or electrical timing devices used for showers and laundry equipment, if provided, must be accurate to within 20 seconds or as otherwise approved by the area manager to ensure the minimum time period identified in the rate schedule. (B)
22. **Interpretation.**—If required in the Operating Plan, shower or laundry waiting areas will have informational or interpretive media for visitors' optional use during their waiting time. If the concessionaire provides interpretive material, all content and media will be approved by the area manager before use and will be appropriate for the site. If required, the concessionaire will keep any such interpretive media (bulletin board, display case, etc.) clean and in good repair. (B)
23. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR TRAILER/RV PARK (SHORT TERM) AND CONCESSIONAIRE-OPERATED CAMPGROUNDS – STANDARD 10-613

## INTRODUCTION

The following standards shall govern the management of short-term trailer villages at concessionaire-operated campgrounds. The concessionaire is responsible for enforcing compliance by the site occupants. The concessionaire shall inform site occupants that violation of any of these standards may be grounds for the termination of their occupancy. Reclamation should provide assistance as needed.

### A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds/Site Maintenance.**—In addition to General Standards, element 2, it is the responsibility of the concessionaire and the tenant to maintain the site in a clean, neat, and sanitary manner at all times. No debris, refuse, or litter shall be allowed on any site or in any space beneath a trailer. Tables, grills, and fire-containing devices, if provided, shall be reasonably vandal free, free of graffiti, and repaired as necessary to ensure proper function. Hookups, if provided, will be repaired as necessary to ensure safe operation. (B)
3. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

### B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 5. (A)
5. **Shower Areas.**—If provided, shower stalls, including floors, walls, ceilings, doors, and attachments, must be clean, well maintained, ventilated, illuminated, and free of litter, mildew, and offensive odors. Shower curtains must be of sufficient length and width to prevent water from flowing to other areas and to ensure privacy. Water must be of sufficient temperature to be comfortable, and faucets must be accurately marked and operational. (B)

6. **Public and Other Areas.**—In addition to General Standards, element 7, at least one public telephone with unrestricted 24-hour access will be provided in the transient areas, with emergency numbers clearly posted. (B)

## C. OPERATIONS

7. **Employee Performance.**—Refer to General Standards, element 8. In addition to General Standards, element 8, employees will provide timely, accurate, and complete information about activities, facilities, and services available to the visitor. Employees are to be knowledgeable about all programs, policies, and regulations and able to explain them to the visitor in a clear, concise manner. Employees shall provide a basic level of visitor services as outlined in the Operating Plan. (A)
8. **Employee Attitude.**—Refer to General Standards, element 9. (A)
9. **Employee Appearance.**—Refer to General Standards, element 10. (A)
10. **Operating Hours and Quiet Hours.**—Refer to General Standards, element 11. Quiet hours shall be maintained between 10 p.m. and 6 a.m., as outlined in 36 CFR 2.10. These hours shall be prominently displayed to the public. (B)
11. **Staffing.**—Refer to General Standards, element 12. (A)
12. **Public and Emergency Information.**—Informational material, such as local area maps, area regulations, and campground regulations, shall be provided to all visitors at no charge when these items are available free to the concessionaire. Other approved material may be sold at the registration desk. Promotional material for commercial enterprises may be displayed only with the approval of the area manager. Materials being sold are to be displayed separately from those items that are free.

A bulletin board or other informational method of display shall be accurate and complete and provide timely information about area activities and facilities, as well as services available. References and directions to the lost and found area, the public telephone, and local facilities, such as stores, service stations, and hospitals for nonemergency care, shall be provided. Provisions shall be made for delivering emergency messages to guests in a timely, effective manner. Routine messages for guests shall be prominently displayed. (B)

## D. RATES

13. **Authorized Rates.**—Refer to General Standards, element 13. (A)
14. **Sales Verification.**—Refer to General Standards, element 14. Site assignment stubs or tickets may be substituted for sales receipts. (C)

## E. SITE RENTAL OPERATION

15. **Rental Agreements.**—Written rental agreements, conforming to applicable legal requirements, shall be executed for each site rental. The rental form must be approved by the area manager before adoption and use. It must include a requirement that the occupant, as a condition of rental, will abide by these standards and the campground or trailer village rules. At the time of rental, the tenant shall be told where a copy of the current concessionaire rules are posted. The checkout time, as outlined in the Operating Plan, shall be included in the rental agreement for transient sites. (B)
16. **Authorized Number and Types of Rentals.**—Group size, duration of stay, number of actual sites, and number of tents per site shall not exceed the number and times approved in the Operating Plan.
- Additionally, the concessionaire will not rent sites that are used, or reserved in any way, by anyone for the purposes of promotional display, advertising, sale of trailers or trailer accessories, or any other type of business or commercial purpose. (A)
17. **Order of Rental.**—The concessionaire will maintain a waiting list on a first-come, first-served basis, or in a manner established by the area manager. (A)
18. **Site Registers.**—The concessionaire shall maintain accurate, up-to-date registers of site occupants. These are to be available for examination by authorized representatives of Reclamation. The register list shall include those items requested by the area manager and may include information such as name of guest, date of rental period, space number, license, number of vehicles in the party, and if a trailer rental, the make, model, year, overall length, and State of registration of the trailer. (B)
19. **Bureau of Reclamation Passports.**—If required by the contract, the concessionaire shall honor Reclamation passports. (A)

## F. TRAILER VILLAGE AND CAMPGROUND OPERATIONS

- 20. Employee Residential Area.**—Transient sites shall not be occupied by concessionaire employees. (B)
- 21. Site Boundaries and Site Numbers.**—All trailer villages and campgrounds are to be adequately and clearly marked by the placement of permanent markers or other identifiable signs at each lot corner, and each site shall be designated by a number that is permanently installed on the site. The site markers are to be established and maintained by the concessionaire. The size, design, and readability of numbers from the roadway going through the trailer village or campground are subject to approval by the area manager. (B)
- 22. Trailer Size Requirements.**—No trailer over 8 feet wide or 35 feet long will be located on a transient site, unless permitted by the area manager. The area manager should develop specific limitations for area locations based on local roadway and parking configurations. (A)
- 23. Vehicles and Boats.**—No vehicle shall be parked in such a way as to interfere with the normal flow of traffic within a trailer park or campground area. Overflow parking, if any, will be allowed only in approved designated areas. Only the maximum number of vehicles authorized by the area manager will be permitted per site. (B)
- 24. Landscaping.**—Planting or landscaping by the concessionaire is permitted, provided it is done according to a landscape plan approved by the area manager. (B)
- 25. Pets.**—The concessionaire will have in place a program for managing pets and enforcing pet rules. The concessionaire is responsible for ensuring that all pets are leashed or confined to a pen and that no pets make unreasonable noise that disturbs other area visitors. No pets may frighten wildlife by barking, howling, or making other noise. The concessionaire must also ensure compliance with pet excrement disposal requirements, as established by the area manager. The concessionaire is required to remove pets that become a problem. (B)
- 26. Mechanical Repairs.**—The concessionaire will not allow major mechanical work to be performed on any vehicles within the trailer village or campground. (B)
- 27. Dumping Station.**—If required, the concessionaire will establish an area for the purpose of discarding sewage. If provided, this site must be approved by the area manager, located away from rental campsites, and not offensive to the campers. The concessionaire will keep the site clean and will be responsible for following any applicable State or county permits. (A)



28. **Open Fires.**—There shall be no open fires outside approved fire-containing devices. (B)

**G. OTHER**

29. **Public Signs.**—In addition to General Standards, element 6, the concessionaire shall post the following notices in a conspicuous area: (B)
- a. The concessionaire’s rules and area regulations, including fire safety rules
  - b. Approved rates
  - c. Emergency and law enforcement telephone numbers
  - d. Information on area facilities and services
30. **Vending.**—Refer to General Standards, element 16. (B)
31. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR TRAILER VILLAGES (LONG TERM) – STANDARD 10-614

## INTRODUCTION

The following standards are for the management of long-term employee trailer villages. The concessionaire is responsible for requiring trailer-site occupants to comply with these standards and shall inform occupants that violation of any of the elements in this standard may be grounds for the termination of their occupancy. Concessionaires may own trailers and rent them to employees. Concessionaire employees living in long-term trailer areas approved by Reclamation or a public long-term trailer village must abide by the same standards as other trailer-village occupants. It is incumbent upon the concessionaire to develop specific procedures for enforcing the standards and to incorporate them into trailer village occupants' space rental agreements. This standard applies to single-family use of trailers. Long-term trailer areas used as concessionaire dormitories should be evaluated by Reclamation using the Operating Standards for Group Employee Housing – Standard 10-611.

### A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds and Site Maintenance.**—In addition to General Standards, element 2, it is the responsibility of the concessionaire and the tenant to maintain the trailer site in a clean, neat, and sanitary manner at all times. No debris, refuse, or accumulation of personal property shall be allowed on any trailer site or in any space beneath a trailer. While occupied, certain day-to-day property (e.g., lawn chairs, BBQs, and fishing equipment) is acceptable on the property but must be stored inside when the occupant(s) are not present. (B)
3. **Garbage and Trash.**—Refer to General Standards, element 3. (B)

### B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 4. (A)
5. **Public and Other Areas.**—In addition to General Standards, element 5, the concessionaire shall provide at least one public telephone with unrestricted 24-hour access, with emergency numbers clearly posted. (B)

## C. OPERATIONS

6. **Employee Performance.**—Refer to General Standards, element 8. Also, employees shall provide timely, accurate, and complete information about activities, facilities, and services available to the visitor. Employees should know about programs, policies, and regulations, and they should be able to explain them to visitors in a clear, concise manner. Employees shall provide a basic level of visitor services, as specified in the area Operating Plan. (A)
7. **Employee Attitude.**—Refer to General Standards, element 9. (A)
8. **Employee Appearance.**—Refer to General Standards, element 10. (A)
9. **Operating Hours.**—Refer to General Standards, element 11. (B)

## D. RATES

10. **Authorized Rates.**—In addition to General Standards, element 13, the following will apply. When a rate increase for site rental has been authorized, the concessionaire shall give all long-term trailer village renters a minimum of 30 days advance notice before the new rates are effective. (A)
11. **Sales Verification.**—Refer to General Standards, element 15. (C)

## E. SITE RENTAL OPERATIONS

12. **Rental Agreements.**—Written rental agreements, conforming to applicable legal requirements, shall be executed for each trailer-site rental. The rental form must be approved by the area manager before adoption and use. It must include provisions that the occupant will abide by the trailer-village rules and standards as a condition of rental. At the time of rental execution, the tenant shall receive from the concessionaire a copy of the trailer village rules and other area regulations. (B)
13. **Authorized Number and Types of Rentals.**—The number of actual trailer sites, including those rented to employees, shall not exceed the total number approved in the contract. Only one trailer is allowed per site, and only one trailer site may be rented to any one individual. No trailer site may be rented to any person whose trailer is not in conformance with this standard and the concessionaire's rules. Sites may be rented for a maximum number of days, as designated by the area manager.

No concessionaire shall accept for occupancy or accept as a replacement for an existing unit any double-wide or tip-out trailer. Existing double-wide and tip-out or expanded trailers will be phased out upon termination or transfer of a site rental lease. Triple-wide trailers and modular homes are not permitted. Additionally, trailer sites shall not be rented, used, or reserved in any way by any person for purposes of promotional display, sale of trailers or trailer accessories, or any other on-site commercial enterprises. Subletting or renting to a second party is prohibited. (A)

14. **Site Register.**—The concessionaire will maintain accurate, up-to-date registers of site occupants. These are to be available for examination by authorized representatives of Reclamation. The register list shall include those items required by the area manager and may include information such as name and address of guest, date of rental period, space number, and make, model, year, overall length, and State of registration of the trailer. (B)

15. **Order of Rental.**—The concessionaire will maintain a waiting list on a first-come, first-served basis, or in a manner established by the area manager. (B)

16. **Termination of Lease.**—When a lease is terminated, the trailer must be removed by the renter from the trailer village except in areas where on-site resale is permitted by the area manager. (B)

17. **Sale of Trailers.**—The sale of any tenant’s trailer is prohibited while in the trailer village, except with the concurrence of the area manager in areas where resale has previously been allowed. (A)

18. **Limitation of Occupancy.**—Occupancy is only for employees who work (for pay) a minimum of 20 hours per week. Occupancy may not exceed 120 days per calendar year or 3 weeks in any continuous stay. The concessionaire will develop procedures to monitor this use and enforce the guideline. Violation of these occupancy standards by the site holder may result in immediate termination of the permit and notice to vacate. Multiple violations must result in such termination and notice to vacate from the concessionaire to the site permittee. (A)

## F. TRAILER VILLAGE OPERATIONS

19. **Site Boundaries and Site Numbers.**—All trailer-site lot lines are to be adequately and clearly marked by the placement of permanent markers at the corner of each lot, and each trailer site shall itself be designated by a number that is permanently installed on the site. Such boundary and site markers are to be established and maintained by the concessionaire. The size, design, and readability of numbers from the roadway going through the trailer village are subject to approval by the area manager. (B)

- 20. Trailer Spacing and Size Requirements.**—The concessionaire will not allow trailers to be placed on any site where there would be less than 20 feet between trailers, including any additions thereto. Awnings and eaves, however, may not intrude more than 2 feet into a required separation. At least 5 feet shall be maintained between each trailer and any property line or roadway adjacent to it. The trailer and accessory building, if present, shall not occupy more than 75 percent of the designated site area. (A)
- 21. Trailer Additions and Expansions.**—The concessionaire will not allow expansions or additions to trailers, such as cabanas, ramadas, or expanded units. (B)
- 22. Storage Space.**—The concessionaire will not provide space within a trailer village for the storage of unoccupied trailers, travel trailers, motor homes, autos, or recreational vehicles. (B)
- 23. Vehicles and Boats.**—The concessionaire will allow no vehicle to be parked in such a way as to interfere with the normal flow of traffic within the trailer village or to infringe upon neighbor’s rights (blocking view, etc.). All vehicles, including boats and boat trailers (boat and trailer is considered one vehicle), located within a trailer village must display a current registration. Two other vehicles may be parked on the site, if space permits, in addition to the trailer when such vehicles are used for transportation or recreation while the trailer occupant is in residence. Recreational vehicles parked on a site beside a trailer shall not be connected to either the trailer or to the trailer site electrical, gas, water, or sewage lines. (B)
- 24. Condition of Trailer.**—The concessionaire is responsible for seeing that the exterior of all units is kept in good repair, has a neat appearance, and meets all State, county, and local electrical, mechanical, safety, and public health codes. (B)
- 25. Landscaping.**—Planting or landscaping by the concessionaire is permitted, provided it is approved by the area manager. Tenant planting must be approved, in writing, by the concessionaire and must meet the following criteria: (B)
- a. Planting or landscaping shall not be done in front of a trailer if doing so hinders or prevents the attachment of towing vehicles to its hitching device or obstructs the trailer’s ready removal from the trailer site.
  - b. Screen or intersection planting shall not create hazards for vehicle movement within the trailer village.

- c. Anything permanently planted on a trailer site shall not be removed without the prior written approval of the concessionaire.
- d. Planting or landscaping shall not alter the natural terrain of a trailer site, including any impediment to its normal drainage.
- e. Rock gardens, pools, dog kennels, or other landscape features shall not be erected on any trailer site if such features cannot be easily removed by hand by the tenant (without using heavy equipment) within 24 hours upon demand for its removal by the concessionaire.
- f. Tenant may only introduce plants that are maintained by the concession and approved by Reclamation.

**26. Walks, Walkways, Patio Slabs, Retaining Walls, and Fences.**— Any retaining walls or terracing of sites necessary for flood control shall be constructed by the concessionaire, not the tenant, in accordance with the area planning process. No walls or fences between trailer sites shall be constructed. Existing fences shall be removed when the tenant vacates the property, or sooner if desired by the concessionaire.

Walkways and patio slab extensions are not permitted. The concessionaire will require the tenant to remove pre-existing walkways and patio slab extensions at the tenant’s expense at the time of termination of the site rental lease.

(B)

**27. Foundations.**—No permanent foundations shall be erected for trailers on any existing trailer site within the trailer village. A foundation shall be considered to be any wall or pier block constructed of bricks, stones, woodblocks, or any combination thereof, intended to support a trailer. All tiedowns shall be constructed to conform to applicable Federal, State, and local regulations. If local ordinances require foundations for long-term installations, such use will be discontinued except for employee quarters.

(B)

**28. On-Site Storage Facilities.**—Each site may have placed upon it only one outside storage compartment. Any such storage compartment shall be of a commercially manufactured prefabricated type or professionally made, having a capacity of not more than 640 cubic feet, and not in excess of 10 linear feet in any dimension. Any storage compartment placed on a trailer site must have an easily removable non-concrete base. The concessionaire will provide a set of plans for any acceptable nonconcrete base or pad.

(B)

**29. Porches, Awnings, and Shade Structures.**—The concessionaire may allow porches to be installed on trailer sites, but any porch shall be capable of being easily removed from the trailer site and shall not be enclosed with any material, including permanently or temporarily installed

screening. Rollup sun shades are permitted. If awnings are present, the concessionaire will require that they be securely anchored and made of demountable metal, plastic, cloth, or fiberglass that can be easily removed. Small window awnings are permitted, provided they protrude not more than 4 feet from the trailer and are fully supported by the trailer. Patio awnings shall not be enclosed. No permanent shade structures from the trailer are permitted. No porch or shade structure may exceed 150 square feet or be more than 15 feet in any one dimension. Portable collapsible shade structures are permitted during periods of occupancy but must be fully dismantled and removed when the occupant departs for even one night (except employees). The concessionaire will designate acceptable sites for porches or shade structures. (B)

- 30. Skirting.**—Skirting is required on all trailers in long-term sites. Skirting material of light metal, wood, plastic, or fiberglass shall be neat, attractive, and securely installed and well maintained. Each trailer will have removable access panels for inspection by the concessionaire and other officials. (B)
- 31. Outdoor Showers.**—The concessionaire will not allow outdoor showers to be installed at individual trailer sites. (C)
- 32. Appliances and Yard Furniture.**—With the exception of water softeners, propane tanks, and air conditioners, no appliances of any kind shall be installed or stored outside of any trailer unless they are within an approved storage compartment. Only furniture designed and constructed for exterior use is permitted outdoors and then only during site occupancy. (B)
- 33. Radio and Television Antennas or Satellite Dishes.**—The concessionaire is responsible for seeing that individual radio and TV antennas and dishes are attached directly to trailers within the boundaries of the sites rented and without wires to the ground. Radio systems that interfere with or disrupt radio or television reception for other tenants are not permitted. Antennas and dishes shall be erected so that they do not come in contact with power lines. Antennas and dishes shall be installed with a minimum 8-foot vertical and horizontal clearance from power lines. All antennas and dishes shall also be within the Federal Communication Commission’s height restrictions. (B)
- 34. Pets.**—The concessionaire will have a program for managing pets and enforcing pet rules. The concessionaire is responsible for ensuring that all pets are leashed and not permitted to roam and that they do not disturb other area visitors or frighten wildlife by chasing, barking, howling, or making other noise. The concessionaire must also ensure compliance with pet excrement disposal requirements as established by the area manager. The concessionaire is required to remove troublesome pets. (B)

- 35. Mechanical Repairs.**—The concessionaire will not allow any mechanical work to be performed on any vehicles within the trailer village. (B)
- 36. Liquefied Petroleum Gas Tanks.**—Liquefied petroleum gas (LPG) storage tanks shall not exceed local code size restrictions for attachment directly to the trailer, mobile home, or RV. LPG tanks may not be so large that the same codes require a separation between tank and trailer or vehicle. The purpose of this limitation is to reduce the overall site impact by reducing tank capacity and size and increasing portability. This also recognizes that the sites are not areas of primary residence and long-term use. It is intended that users will need to remove tanks and take them out of the area for filling.
- Concessionaires may install larger LPG tanks to serve multiple employee trailers if approved locally by Reclamation. (A)
- 37. Fuel Oil Tanks.**—External fuel oil tanks are not permitted. Areas that currently permit, to code, external fuel tanks will comply with this standard when a trailer is sold or removed or the concession contract expires. (B)

## **G. OTHER**

- 38. Public Signs.**—In addition to General Standards, element 6, the concessionaire shall post the following notices: (B)
- a. Fire safety rules.
  - b. Approved rates.
  - c. Emergency and law enforcement telephone numbers.
- 39. Vending.**—Refer to General Standards, element 16. (B)
- 40. Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)



# OPERATING STANDARDS FOR GUIDE SERVICES – STANDARD 10-615

The following elements have been devised for concessionaire-operated river-running, fishing, and hunting guide services. In these services, the concessionaire or the concessionaire’s employees or guides take visitors on a trip and operate the vessel. If applicable, the employee or guide training program element should be evaluated only once per season, preferably near the beginning of the season.

## A. OPERATIONS

1. **Employee and Guide Training Programs.**—If required, the concessionaire, in cooperation with Reclamation, holds active training and orientation sessions on an ongoing basis for new and experienced employees and guides to develop and advance the necessary skills and techniques for the job. (Evaluate annually.) (B)
2. **Employee and Guide Performance.**—Employees and guides are attentive to passengers, know loading and unloading and operating the water craft, know emergency procedures and first aid, and are aware of areas that change and could create obstacles. Additionally, employees and guides are cognizant of area rules and regulations and are knowledgeable in proper boat and helicopter evacuation procedures, if evacuation is necessary. If interpretation is a requirement, employees and guides should know about the area’s attractions and resources and Reclamation’s project purposes in the area in which the concessionaire operates. (A)
3. **Employee and Guide Attitude.**—Refer to General Standards, element 3. (A)
4. **Employee and Guide Appearance.**—Employees and guides are clean and well groomed; clothes are whole, decent, and clean. The concessionaire may require employees and guides who come in direct contact with the public, so far as practicable, to wear a uniform or badge by which they may be known and distinguished as the representative of the concessionaire. (C)
5. **Staffing.**—Refer to General Standards, element 5. (A)

6. **Qualification Requirements.**—All employees and guides must meet the qualifications and licensing requirements, including those for first aid and operation of transportation and boating equipment, as established by the contract, Operating Plan, or State or local requirements. (A)

## B. RATES

7. **Authorized Rates.**—Refer to General Standards, element 13. (A)
8. **Reservation and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, rate schedules, or the Operating Plan. (B)

## C. EQUIPMENT

9. **Watercraft.**—All watercraft requirements, including the type of watercraft, vessel occupancy, equipment, and gear, must be met. The watercraft shall be identified and registered in accordance with Federal, State, and local laws. The watercraft shall be safe, fully inflated, and adequately rigged. If required, the company name and logo shall be painted on the watercraft. (A)
10. **Emergency Equipment.**—All emergency equipment shall be appropriate to the type of raft or boat being used and the guiding situations experienced within each respective area. All safety equipment, such as fire extinguishers, air pumps, signaling devices, motor repair kits, patch kits, maps, spare propulsion equipment, bail buckets, or other safety equipment required by the Operating Plan, should be in good, serviceable condition. (A)
11. **First Aid Kit.**—The availability and type of first aid equipment, including major and minor first aid kits, if required, shall be provided in good, serviceable condition. (A)
12. **Personal Flotation Devices.**—Personal flotation devices that are required by Federal, State, or local laws, regulations, or policies, or the Operating Plan, shall be provided in serviceable condition. (A)
13. **Transportation Equipment.**—Where provided, all vehicles used to transport passengers shall be safe, clean, well maintained, and in serviceable condition. (A)

14. **Other Equipment.**—The concessionaire will provide and maintain in good condition any other equipment, including food service equipment, required in the Operating Plan. Firearms and ammunition will **NOT** be provided by the concessionaire. (B)

#### D. SERVICES

15. **Food Service Sanitation.**—If provided, food service preparation and cleanup will be provided in accordance with the public health requirements outlined in the FDA/PHS Food Codes. (A)
16. **Food and Water Quality and Quantity.**—If provided, food shall be of good quality and of sufficient quantity to meet the level indicated in the concessionaire’s brochure and approved by Reclamation. If required, sufficient water for drinking and for food preparation shall be available in suitable containers for all passengers during the entire trip. Drinking water treatment must be available. (A)
17. **Safety.**—All appropriate safety procedures and practices as required by regulations, contract, or Operating Plan will be adhered to. (A)

#### E. ENVIRONMENTAL PROTECTION

18. **Litter and Trash.**—If required, trash containers must be available for use by raft or boat passengers. Campsites, if provided, must be clean, and refuse must be picked up. Trash must not be buried, toilet paper must be contained, and all cigarette butts, bottles, cans, and bottle caps must be packed out. (A)
19. **Sanitation and Human Waste.**—When required by regulations, the concessionaire will provide an adequate human waste carryout system. Toilet paper, plastic bags, liners, and disinfectant must be within reach, and hand washing facilities must be available. All public health sanitation requirements must be met. (A)
20. **Fire Pans and Fuel.**—If open fires are permitted, a fire pan or other approved device shall be used to hold all residue. Fire residue shall be disposed of according to regulation. (A)
21. **Restricted Areas.**—All restricted areas and activity requirements and regulations must be observed. (A)
22. **Other Requirements.**—Any other specific regulations or Operating Plan requirements regarding environmental concerns must be met. (B)

## F. ORIENTATION AND INTERPRETATION

- 23. Visitor Safety Orientation.**—As required at appropriate times during the beginning of a trip, guides must brief all visitors on hazards to be encountered, weather conditions that may be expected, timeframe, and proper seating and standing requirements while in the raft or boat. Other topics, such as the nature and demands of the trip, restroom facilities, and litter and sanitation requirements, may be discussed at appropriate times during the trip. Employees and guides shall ensure proper fit and use of personal flotation devices, if flotation devices are to be worn. Employees and guides shall also follow proper procedures in case a person falls into the water. (A)
- 24. Trip Activities.**—If required by the Operating Plan, before the trip begins, an interpretive session that includes introducing employees, guides, and their company and welcoming visitors to the area will be conducted. While on the trip, interpretive sessions may be conducted that highlight the scenic, geologic, historic, cultural, and wildlife resources. After the trip, a post-launch talk may be given to all passengers regarding travel arrangements, questions may be answered, and comments regarding the trip may be solicited. (B)
- 25. Program Content.**—Information presented on the guided trip must be accurate, complete, appropriate to the audience, organized logically, and related to area themes. Concessionaires must consult with area Reclamation staff in developing programs. (B)
- 26. Program Delivery.**—Employees and guides should have the ability to speak clearly, project good voice volume, and stimulate questions and comments from visitors. (B)

# OPERATING STANDARDS FOR BOAT RENTAL OPERATIONS – STANDARD 10-616

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Garbage and Trash.**—Refer to General Standards, element 3. (B)

## B. FACILITY INTERIOR

4. **Public Restrooms.**—Refer to General Standards, element 4. (A)
5. **Public and Other Areas.**—Refer to General Standards, element 5. (B)

## C. OPERATIONS

6. **Employee Performance.**—In addition to General Standards, element 8, individuals operating transportation vehicles must be properly licensed. (A)
7. **Employee Attitude.**—Refer to General Standards, element 9. (A)
8. **Employee Appearance.**—Refer to General Standards, element 10. (A)
9. **Operating Hours.**—Refer to General Standards, element 11. (B)
10. **Staffing.**—Refer to General Standards, element 12. (A)

## D. RATES

11. **Authorized Rates.**—Refer to General Standards, element 13. (A)
12. **Posting of Rates.**—Refer to General Standards, element 14. (B)

- 13. Reservation and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, rate schedules, and operating agreements, as approved by the area manager. (B)

## **E. RENTAL SERVICES**

- 14. Rental Agreements.**—Written rental agreements that conform to applicable legal requirements shall be executed for each boat rental. The rental form must be approved by the area manager before adoption and use. (B)
- 15. Order of Rental.**—The concessionaire will maintain a waiting list on a first-come, first-served basis, in a manner established by the area manager. (A)
- 16. Rental Registers.**—The concessionaire shall maintain accurate, up-to-date registers of boat renters. These are to be available for examination by authorized representatives of the Government. The register list shall include those items required by the area manager and may include information such as the name of the renter, date of rental period, description of the boat, and boat number. (B)
- 17. Authorized Rentals.**—The number and type of rental vessels shall meet the specifications in the contract and shall be consistent with services approved by the area manager. (A)

## **F. RENTAL EQUIPMENT**

- 18. Maintenance.**—Rental vessels shall be in good operating condition and have a clean, well-maintained appearance. The interior and exterior of the vessel shall be free of rust, chipped or peeling paint, and excessively worn seating or benches. A preventive maintenance program shall be established and followed for each rental vessel. Motors and paddles must be inspected, cleaned, and serviced before being rented. (A)
- 19. Sanitation Equipment.**—If a vessel is equipped with sanitation equipment such as waste water and sewage holding tanks, such equipment shall be of sufficient capacity and in good working order to prevent discharge of waste water or sewage directly into Reclamation administered waters, as required in 36 CFR, Section 2.14. (A)

20. **Other Equipment.**—Other equipment, appliances, and supplies, as specified in the Operating Plan, shall be available, well maintained, and in good working order. A minimum number of rental vessels shall be available in accordance with the standards outlined in the ADAAG. (A)

## G. SAFETY

21. **Safety Equipment.**—All vessels rented to visitors shall have appropriate safety equipment, including life jackets, as required by the United States Coast Guard and Reclamation regulations. Any defective equipment must be immediately repaired or removed and replaced. (A)
22. **Vessel Identification.**—Identification of all rental vessels shall be in accordance with United States Coast Guard, State, and local regulations. For emergency identification in an area patrolled by aircraft, identification numbers shall be visible from the air to assist in identifying disabled vessels. (B)
23. **Chase or Tow Boats.**—Emergency chase boats, if required, shall be well maintained. Chase boats shall be dispatched during daylight hours upon request, except in severe weather conditions. (A)

## H. ORIENTATION AND INTERPRETATION

24. **Visitor Safety Orientation.**—The concessionaire must ensure that the renting operator is capable of handling the boat being rented. Before releasing the vessel to the visitor, specific written and verbal operating instructions must be given to the operator to ensure that the operator will be aware of any problems that may arise while the vessel is being rented. Instructions and information may include emergency procedures and equipment, navigational “rules of the road,” regulations and contract requirements concerning restricted areas, river closings and access areas, weather conditions, and proper disposal of garbage and trash.

Carbon monoxide hazards to individuals in the water near the boat’s exhaust must be discussed with the renter and a printed safety sheet on the hazards must be provided to all renters.

If required in the concession Operating Plan, loading and off-loading and operational instructions for more specialized vessels (e.g., sailboats and houseboats) shall be given in an area separate from launching and haul-out areas for visitors with their own vessels and away from authorized tour vessel operations. (A)

- 25. Interpretation.**—If required in the Operating Plan, informational or interpretive material will be given to visitors before rental. If the concessionaire provides interpretive material, all content will be approved by the area manager before it is distributed. (B)

**I. OTHER**

- 26. Transportation.**—If pickup or dropoff transportation services are provided, the concessionaire shall provide timely and adequate service. Vehicles used to transport visitors shall be safe, well maintained, in good physical condition, and clean. (A)
- 27. Storage Lockers.**—Storage lockers, if provided, must:
- Have adequate ventilation.
  - Be kept clean.
  - Be painted.
  - Be of sturdy construction.
  - Be uniform in size.
  - Be not more than the maximum size allowed by the area manager. (C)
- 28. Public Signs.**—Refer to General Standards, element 6. (C)
- 29. Vending.**—Refer to General Standards, element 16. (B)
- 30. Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)



# OPERATING STANDARDS FOR PRIMITIVE AND RUSTIC LODGING – STANDARD 10-617

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7.  
This does not apply to specific lodging rooms or tents. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Operating Hours.**—In addition to General Standards, element 11, the following shall apply: When closed, instructions shall be conspicuously posted and illuminated and shall provide information on contacting the management and the procedures to follow in the event of emergency. (B)
12. **Staffing.**—Refer to General Standards, element 12. (A)

- 13. Reservations and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, rate schedules, and operating agreements, as approved by the area manager. (B)
- 14. Accommodation Availability.**—Accommodations shall be made available to guests within a reasonable period. Guests should not be required to wait in excess of 2 hours from the established checkout time for the facility and should never have to wait past 4 p.m. Security shall be provided for visitors' luggage until their accommodations become available. (B)
- 15. Identification of Area.**—Each lodging facility must have an adequate and easily identifiable area for registration and checkout. (C)
- 16. Informational Material.**—The registration area shall have general area and concession information available, such as operating hours for area and concessionaire services and activities. (C)

#### **D. RATES**

- 17. Authorized Rates.**—Refer to General Standards, element 13. (A)
- 18. Posting of Rates.**—In addition to General Standards, element 14, the following will apply: Rates will be posted in accommodations or will be conspicuously posted at the registration area. (B)

#### **E. ACCOMMODATIONS**

- 19. Room(s) Organization.**—Accommodations must contain adequate space for guests to move about comfortably and must not contain unnecessary furniture or oversized furniture that results in a congested appearance. Furniture should be placed so as to not impede free movement within the accommodation. (C)
- 20. Furniture and Furnishings.**—Each unit shall be adequately furnished and equipped to meet visitor needs. The furnishings shall include a sufficient number of chairs, tables, wastebasket(s), coat hangers, and ashtrays, if smoking is allowed. All furniture and accessories are to be clean, free of dust and stains, and in good condition. When provided, cooking utensils, flatware, and dishes shall be clean. Clearance of wood and oil stoves from combustible materials, including partitions and walls constructed with wood studs, shall not be less than that recommended by Underwriters Laboratories, Inc. Fireproof pads shall be placed under wood burning stoves to prevent the floor from catching fire. (B)

- 21. Window Coverings.**—All window coverings, including draperies, blinds, and shades, must be cleanable and designed to provide for the guests' privacy. Such coverings must effectively shut out light from outside sources. (B)
- 22. Floors, Walls, Ceilings, and Windows.**—Floors and floor coverings must be clean, untorn, and free of litter. Wood floors shall be either painted or well sealed. Area rugs must be treated to prevent slippage. Walls, ceilings, and windows shall be clean. (B)
- 23. Bedding.**—All bedding provided must be clean, untorn, free of stains, and of the proper size for the mattress. Depending on location and climatic conditions, a second blanket for each bed should be available, preferably in the room, but at a minimum, obtainable at the registration area. (A)
- 24. Bed Condition.**—Mattresses must be clean, odorless, nonsagging, free of lumps and protruding tufts, and sized to fit the bedframe or springs. Springs are to be nonprotruding, quiet, and unbroken. Frames are to be clean and in good condition. All cots provided in furnished units (e.g., tents) shall be durable, clean, odorless, and in good condition. Sagging is to be minimal and consistent with the normal expectation of a camping experience. (A)
- 25. Illumination.**—A sufficient number of lamps must be provided to properly illuminate the room. Lamps for reading or writing purposes must be provided, and the bulbs must be at least 75 watts or 20 candlepower. However, the bulb wattage must not exceed the specification printed on the specific light fixture. (C)
- 26. Tents or Other Facilities Without Electrification.**—At least one LPG lantern per furnished tent shall be provided. (B)
- 27. Environment.**—All units must be well ventilated, odorless, and free of insects and rodents and evidence thereof. Doors and windows, including screens, must be sufficiently tight to prevent the entry of rodents and insects. (B)
- 28. Security.**—All doors and windows in the unit must have adequate, operable locking devices and must be changed as necessary to prevent theft. Doors shall have a double locking system on the inside. Canvas-sided buildings are excluded from the double locking requirement, with the stipulation that other means of providing security for visitors' valuables are available. (A)

29. **Utilities and Appliances.**—Heaters, air conditioners, and other appliances (stoves, refrigerators, etc.) must be in good condition, operable, adequate, clean, reasonably quiet, and available, as required by the area manager. Clear instructions concerning the use of the above items must be provided and conspicuously placed. Removal plates for wood burning stoves shall have handles. Spark arresters and stove flues must be cleaned regularly and must be in good condition. (B)

## F. BATHROOMS (INDIVIDUAL OR CENTRAL)

29. **Linens.**—Where required, clean linens of good quality and in good condition shall be provided. There shall be one large bath towel and one face cloth per person. In the event baths are used in common, linens must be placed in the unit. (A)
30. **Soap.**—There shall be at least one individually wrapped soap bar per person. In the event bathrooms are used in common, the requirement remains the same, and supplies shall be placed in the unit. (B)
31. **Toilet Tissue.**—Toilet tissue must be of good quality and conveniently located. One roll or package must be held in reserve and located in a convenient location. (B)
32. **Wastebaskets.**—Each bathroom shall contain one clean wastebasket that is in good repair. In the event bathrooms are shared, the waste container in the women’s restrooms shall be covered. (C)
33. **Drinking Containers.**—When required, for each person there must be one sanitized, wrapped drinking glass or single-service cup. Where single-service cups are used, they must be stored in a clean, properly sized, enclosed dispenser. When ice is available, each unit is to contain a clean ice bucket. (B)
34. **Shower Enclosures.**—Shower or tub curtains must be untoned, clean, and free of mildew. They shall be of sufficient length and width to prevent water from flowing onto the floor. Other types of enclosures (hinged and sliding doors) must meet the above criteria and, in addition, be easily moveable and free of breaks. Sliding door tracks must be clean and in good repair. (B)
35. **Tubs and Showers.**—Showers and bath tubs shall be clean, unspotted, reasonably free of stains inside and out, and in good condition. Tubs and showers must be equipped with either a nonslip mat or constructed with nonskid surfaces or strips that are tightly secured, clean, free of mildew, and untoned. (A)

36. **Fixtures.**—Toilets, sinks, faucets, tissue dispensers, mirrors, towel racks, light fixtures, etc., shall be clean, unpitted, and free of cracks. (A)
37. **Environment.**—Bathroom areas shall be clean, well ventilated, free of litter and offensive odors, and well maintained. Floors, walls, ceilings, doors, and windows shall be clean and mildew free. (A)

**G. OTHER**

38. **Vending.**—Refer to General Standards, element 16. (B)
39. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR GOLF COURSE OPERATIONS – STANDARD 10-618

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

## C. OPERATIONS

8. **Employee Performance.**—Refer to General Standards, element 8. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Operating Hours.**—Refer to General Standards, element 11. (B)
12. **Staffing.**—In addition to General Standards, element 12, if lessons are offered, a qualified Professional Golf Association teaching professional or equivalent shall be available. Also, the service of a qualified golf course manager shall be available at all times. (A)

## D. RATES

13. **Authorized Rates.**—Refer to General Standards, element 13. (A)

14. **Posting of Rates.**—Refer to General Standards, element 14. (B)
15. **Sale Verification.**—Refer to General Standards, element 15. (C)
16. **Rain Check and Deposit Refunds.**—Rain check, cancellation, and deposit refund policies shall be reasonable, not overly restrictive, efficiently handled, and contained in appropriate advertising material, rate schedules, and operating agreements, as approved by the area manager. (B)
17. **Rental Service Verification.**—All equipment rentals shall be accurately and legibly recorded. Receipts shall be given for all equipment rental transactions. (C)

## E. EQUIPMENT AND SERVICES

18. **Authorized Equipment.**—The type of rental equipment and the number of items specified in the contract and area planning documents must be consistent with services determined necessary and appropriate by the area manager. (A)
19. **Maintenance.**—Rental equipment shall be in good operating condition, clean, and well-maintained. The interior and exterior shall be free of rust, chipped or peeling paint, and excessively worn seats or benches. A preventive maintenance program shall be established and followed for each rental vehicle. (A)
20. **Equipment.**—All vehicles rented to visitors shall have the appropriate safety equipment. (B)
21. **Visitor Orientation and Instruction.**—The clubhouse (sales area) shall be arranged and signed to guide the visiting player to the course or driving range.
- Each group of players shall be provided with a score card that includes a map or diagram of the course, the applicable rules of the golf course, and appropriate safety instructions (lightning, etc.) (C)
22. **Order of Rental and Starting.**—The concessionaire shall rent equipment, sell tickets, and assign starting times to eligible visitors on a first-come, first-served basis. (A)

## F. GOLF COURSE PROPER

- 23. Accessories.**—The following accessories are required on all golf courses:

**Markers.**—At least one pair of tee markers shall be provided at each tee. Additional pairs may be provided to indicate tee-off positions for different skill levels. Markers should be color coded according to accepted golfing practice.

**Ball Washers.**—Ball washers shall be provided as specified in the contract. Any ball washers on the course shall be in good repair, an adequate level of clean washing solution shall be maintained, and one or more towels shall be provided.

**Benches.**—Benches shall be safe and usable.

**Flags.**—Greens shall be marked with standard numbered flags. When the course is designed so that two or more sets of flags for each green exist to designate hole locations, the flags shall be differentiated by color, shape, or other easily recognizable means.

**Rain Shelters.**—Should be provided.

**Lightning Warning System.**—Should be installed.

**Drinking Water.**—Should be provided at designated holes. (A)

- 24. Maintenance of Golf Courses.**—The various features of the golf course (e.g., tees, greens, fairways, roughs, and traps) will be maintained in accordance with current standards for golf course and turfgrass management. (A)

## G. OTHER

- 25. Informational Material.**—The registration area shall have general area and concession information available, such as operating hours for area and concessionaire services and activities. (C)

- 26. Practice Facilities.**—Practice greens and driving ranges shall be maintained in a safe and pleasing condition. (A)

- 27. Vending.**—Refer to General Standards, element 16. (B)

- 28. Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)



# OPERATING STANDARDS FOR SWIMMING POOL FACILITIES – STANDARD 10-619

## A. FACILITY EXTERIOR

1. **Structure Condition.**—Refer to General Standards, element 1. (B)
2. **Grounds.**—Refer to General Standards, element 2, except that all pools shall be enclosed with a fence at least 6 feet high. The fencing should be of a type that cannot be easily climbed. (B)
3. **Public Signs.**—Refer to General Standards, element 3. (C)
4. **Garbage and Trash.**—Refer to General Standards, element 4. (B)

## B. FACILITY INTERIOR

5. **Public Restrooms.**—Refer to General Standards, element 5. (A)
6. **Public Notices and Signs.**—Refer to General Standards, element 6. (C)
7. **Public and Other Areas.**—Refer to General Standards, element 7. (B)

## C. OPERATIONS

8. **Employee Performance.**—In addition to General Standards, element 8, the concessionaire’s lifeguards shall possess a current first aid card or equivalent. Lifeguards (where required) must always stay at their assigned posts while the pool is in operation. (A)
9. **Employee Attitude.**—Refer to General Standards, element 9. (A)
10. **Employee Appearance.**—Refer to General Standards, element 10. (A)
11. **Operating Hours.**—Refer to General Standards, element 11. (B)
12. **Staffing.**—A qualified lifeguard shall be on duty during all hours. When a lifeguard is not provided, a warning sign to that effect shall be placed in plain view and the pool shall not be used by children without an adult attendant or by adults swimming alone. (A)

## D. BATHHOUSE

13. **Shower Stalls.**—Shower stalls, including floors, walls, ceilings, doors, and attachments, shall be clean, well maintained, ventilated, and adequately illuminated and free from litter, mildew, and offensive odors. (B)
14. **Flooring.**—Flooring shall be covered with either a nonslip mat or constructed with nonskid surfaces or strips that are securely fastened. (A)
15. **Dressing Area and Clothes Storage.**—Either lockers or clothes hooks are to be provided and conveniently located. (B)
16. **Security.**—The safekeeping of guests' valuables should be provided. If safekeeping is not provided, a sign shall be conspicuously posted stating that the management is not responsible for guests' valuables. (B)

## E. SWIMMING POOL AND POOL AREA

17. **Walls (Sides) and Floors.**—Pool walls and floor surfaces shall be clean, smooth, impervious, and free of algae. Overflow gutters shall be clean, unblocked, and in good working order. (A)
18. **Apron Area.**—The pool shall be surrounded by an impervious apron extending at least 4 feet from the edge. The apron and coping shall be kept clean and free of cracks. (B)
19. **Depth Markings.**—Depth markings of 4-inch minimum height shall be placed at regular intervals along the pool periphery and spaced at not more than 25-foot increments. Small pools shall have markings at the deep and shallow ends and at the 5-foot point. (B)
20. **Ladders.**—A means of egress shall be provided at the deep end of the pool and also at the shallow end if the distance from the apron to the bottom of the pool is greater than 2 feet. One mode of egress shall be provided for each 75 feet of pool perimeter, but in every case, no less than two separate ladders shall be provided. Ladders shall have a clearance of not more than 6 inches nor less than 3 inches from the pool wall. Ladders shall be equipped with handrails and nonslip surfacing. (B)
21. **Water Quality and Filtration System.**—Water shall be clean and free of algae, and all State and local standards shall be followed. (A)
22. **Fencing.**—For safety reasons, the pool area should be fenced according to State and local standards. (A)

## F. SAFETY

23. **First Aid Kit.**—A standard 24-unit first aid kit shall be kept filled and readily accessible for emergency use. (A)
24. **Reaching Poles and Buoys.**—One or more light poles, no less than 12 feet long, shall be available for reaching people in the pool who may be in trouble. One or more buoys (life rings) in good condition, not more than 15 inches in diameter, shall be available at strategic points adjacent to the pool. (A)

## G. OTHER

25. **Vending.**—Refer to General Standards, element 16. (B)
26. **Beverage Container Guidelines.**—Refer to General Standards, element 17. (B)

# OPERATING STANDARDS FOR MOUNTAINEERING GUIDE SERVICES – STANDARD 10-620

## A. OPERATIONS

1. **Employee Performance.**—The skill and competency levels of each guide must be commensurate with the climbing and guiding services that he or she is responsible for. At no time will the concessionaire allow a guide to provide services that exceed the skills, experience, or competency level of the guide. Active introductory training programs for new employees and retraining programs for experienced employees shall be conducted on an ongoing basis for the development and advancement of the necessary skills and techniques for the job. These sessions shall stress work performance, safety, first aid, climbing ethics, employee attitudes, Reclamation philosophy and policy, and knowledge of area rules and regulations. All employees, especially guides, must meet the qualification requirements, including first aid, as established in the Operating Plan. (A)
2. **Employee Attitude.**—Refer to General Standards, element 9. (A)
3. **Employee Appearance.**—Refer to General Standards, element 10. (A)
4. **Operating Hours.**—Refer to General Standards, element 11. (B)
5. **Staffing.**—Refer to General Standards, element 12. (A)
6. **Client/Guide Ratio.**—Client to guide ratios, including any party size limitations as advertised by the concessionaire, shall be adhered to, as specified in the Operating Plan. (A)
7. **Back-Country Registration.**—The concessionaire shall be responsible for complying with any and all registration requirements, as specified in the Operating Plan. (A)

## B. RATES

8. **Authorized Rates.**—Refer to General Standards, element 13. (A)
9. **Posting of Rates.**—Refer to General Standards, element 14. (B)

10. **Reservation and Deposit Refunds.**—Reservation, cancellation, and deposit refund policies shall be reasonable, efficiently handled, and contained in appropriate advertising material, rate schedules, and Operating Plans, as approved by the area manager. (B)

### C. EQUIPMENT

11. **Condition.**—All mountaineering related equipment, including, but not limited to, climbing ropes, hardware, protective clothing, equipment, and boots, either supplied or rented by the concessionaire, is to be in good repair for its intended use. All equipment should be periodically inspected to ensure adherence to this standard; any defective equipment shall be immediately repaired or removed and replaced. (A)
12. **Adequacy.**—All mountaineering equipment supplied or rented by the concessionaire shall be of the type and quantity suitable to the climbing and guiding situations that may be expected. (A)

### D. SAFETY

13. **Client Orientation.**—The concessionaire, or his/her representative, shall inform visitors before and during the climb or hike of the nature and demands of the particular service the client is requesting. This orientation should include:
- Any inherent dangers associated with the trip.
  - Physical requirements.
  - Trip length.
  - Personal equipment needed.
  - Any other information pertinent to the overall experience. (A)
14. **Safety.**—The concessionaire shall ensure that all clients are adequately prepared and supplied with any equipment needed for a safe climb or guided tour. The concessionaire shall require the use of all safety equipment while engaged in any climbing or guided activity. All guides shall carry adequate first aid supplies while engaged in climbing and will monitor clients' physical and mental condition. (A)

### E. ENVIRONMENTAL PROTECTION

15. **Camping Sanitation.**—All Operating Plan requirements for camping should be closely adhered to. In addition, all sanitation disposal, including human waste, garbage, and trash disposal must be in accordance with the procedures outlined in the contract. (B)

16. **Climbing Ethics.**—Concessionaires shall encourage good climbing ethics. (C)

**F. SERVICES**

17. **Interpretation.**—All guides must be trained to describe attractions, comment on the resources of the area, and inform patrons of area regulations and the purposes behind the establishment of the area in which are climbing. Information must be accurate, pertinent, and complete. Concessionaires should consult with area’s staff in developing training. (B)

18. **Food Services.**—All food provided by the concessionaire shall be of sufficient quantity and quality to sustain party members for the duration of the climb. To prevent food borne illnesses, sanitary food handling and storage practices will be provided in accordance with the public health requirements outlined in the FDA/PHS Food Codes and the Back-Country Sanitation Checklist (River, Livery, and Mountaineering). (A)

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(Area Name)

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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
Operation and Facilities Evaluation Report

Region \_\_\_\_\_ Recreation/Wildlife Area \_\_\_\_\_

**COMPREHENSIVE OPERATION AND FACILITIES EVALUATION REPORT**  
**Standard 10-629**

Name of Concessionaire \_\_\_\_\_ Facility/Service \_\_\_\_\_

**INSTRUCTIONS:** Circle the standards that will be used in the evaluation. Round off final rating to the nearest tenth.

		Food and Beverage	Overnight Accommodations	Merchandising	Automotive Services	Transportation	Marina	Horse and Mule	Interpretation	Employee Housing	Showers and Laundry	Trailer S-T and Campgrounds	Trailer L-T	Water Guide	Boat Rental	Rustic Housing	Golf	Swimming Pool	Mountaineering	
	DATE	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	XVI	XVII	XVIII	XIX
Initial Evaluation																				
Followup Evaluation																				
Final Score of Each Element																				

TOTAL SCORE (sum of all individual element scores)	Number of Standards in Evaluation	Final Rating (total score divided by No. of elements)



**FOOD AND BEVERAGE SERVICE  
 (Including Employee Operations)  
 Standard 10-603**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>E. (continued)</b>	
1.	Structure Condition (B) _____	13.	Menus (B) _____	23.	Guest Checks (C) _____
2.	Grounds (B) _____	14.	Authorized Rates (A) _____	24.	Furniture Arrangement and Condition (C) _____
3.	Public Signs (C) _____	<b>E. Food and Beverage Services</b>		25.	Floors, Walls, Ceilings, and Windows (Dinning Room) (B) _____
4.	Garbage and Trash (A) _____	15.	Food Availability (B) _____	26.	Environment (B) _____
<b>B. Facility Interior</b>		16.	Availability of Condiments (B) _____	27.	Employee Meal Hours (C) _____
5.	Public Restrooms (A) _____	17.	Customer Attention (B) _____	<b>F. Beverages</b>	
6.	Public Signs (C) _____	18.	Food Temperatures (B) _____	28.	Beverages (B) _____
7.	Public and Other Areas (B) _____	19.	Food Prepared to Order (B) _____	29.	Drink Presentation (C) _____
<b>C. Operations</b>		20.	Merchandising (C) _____	30.	Liquor Laws (A) _____
8.	Employee Performance (A) _____	21.	Table Appearance (B) _____	31.	Vending (B) _____
9.	Employee Attitude (A) _____	22.	Tableware (A) _____	32.	Beverage Container Guidelines (B) _____
10.	Employee Appearance (A) _____				
11.	Operating Hours (B) _____				
12.	Staffing (A) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ (Signature)	_____ (Signature)	
Followup					_____ (Signature)	_____ (Signature)	

Remarks:

**OVERNIGHT ACCOMMODATIONS**  
**Standard 10-604**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. (continued)</b>		<b>E. (continued)</b>	
1.	Structure Condition (B) _____	14.	Staffing (A) _____	26.	Environment (B) _____
2.	Grounds (B) _____	15.	Room Availability (B) _____	27.	Security (A) _____
3.	Public Signs (C) _____	16.	Information Material (C) _____	28.	Utilities/Appliances (B) _____
4.	Garbage and Trash (A) _____			29.	Vending (B) _____
<b>B. Facility Interior</b>		<b>D. Rates</b>		30.	Beverage Container Guidelines (B) _____
5.	Public Restrooms (A) _____	17.	Authorized Rates (A) _____	<b>F. Bathroom</b>	
6.	Public Signs (C) _____	18.	Posting of Rates (B) _____	31.	Linen (A) _____
7.	Public and Other Areas (B) _____	<b>E. Room Housekeeping and Services Provided</b>		32.	Soap (B) _____
<b>C. Operations</b>		19.	Room Organization (A) _____	33.	Toilet and Facial Tissue (B) _____
8.	Employee Performance (A) _____	20.	Furniture/Furnishings (B) _____	34.	Drinking Containers (B) _____
9.	Employee Attitude (A) _____	21.	Window Coverings (B) _____	35.	Wastebaskets (C) _____
10.	Employee Appearance (A) _____	22.	Floors, Walls, Ceilings, and Windows (B) _____	36.	Shower Enclosures (B) _____
11.	Reservation and Deposit Refunds (B) _____	23.	Bedding (A) _____	37.	Tubs and Showers (A) _____
12.	Identification of Area (C) _____	24.	Bed Condition (A) _____	38.	Fixtures (A) _____
13.	Operating Hours (B) _____	25.	Illumination (C) _____	39.	Environment (A) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____	(Signature)	(Signature)
Followup					_____	(Signature)	(Signature)

Remarks:

**MERCHANDISING OPERATIONS**  
**Standard 10-605**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. Operations</b>		<b>E. Merchandise</b>	
1.	Structure Condition (B) _____	8.	Employee Performance (A) _____	15.	Authentic United States Handcraft and Indian or Eskimo Handcraft (A) _____
2.	Grounds (B) _____	9.	Employee Attitude (A) _____	16.	Other Unique Merchandise (B) _____
3.	Public Signs (C) _____	10.	Employee Appearance (A) _____	17.	Other Acceptable Unique Merchandise (B) _____
4.	Garbage and Trash (B) _____	11.	Operating Hours (B) _____	18.	Unacceptable Merchandise (A) _____
<b>B. Facility Interior</b>		<b>D. Rates</b>		<b>F. Other</b>	
5.	Public Restrooms (A) _____	13.	Authorized Rates and Labeling (A) _____	19.	Vending (B) _____
6.	Public Signs (C) _____	14.	Sales Verification (C) _____	20.	Beverage Container Guidelines (B) _____
7.	Display, Sales, and Other Areas (B) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**AUTOMOBILE SERVICE STATIONS**  
**Standard 10-606**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. Operations</b>		<b>E. Automobile Maintenance</b>	
1.	Structure Condition (B) _____	7.	Employee Performance (A) _____	14.	Preventative Car Care (B) _____
2.	Grounds (B) _____	8.	Employee Attitude (A) _____	15.	Required Supplies (B) _____
3.	Public Signs (C) _____	9.	Employee Appearance (A) _____	<b>F. Service</b>	
<b>B. Facility Interior</b>		10.	Operating Hours (B) _____	16.	Information Material (C) _____
4.	Public Restrooms (A) _____	11.	Staffing (A) _____	17.	Products Sold (Gas) (A) _____
5.	Public Signs (C) _____	<b>D. Rates</b>		18.	Recycle Program (A) _____
6.	Public and Other Areas (B) _____	12.	Authorized Rates (A) _____	19.	Vending (B) _____
		13.	Posting of Rates (B) _____	20.	Beverage Container Guidelines (B) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**TRANSPORTATION SYSTEM**  
**Standard 10-607**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. Operations</b>		<b>E. Vehicles and Vessels</b>	
1.	Structure Condition (B) _____	8.	Employee Performance (A) _____	15.	Maintenance (B) _____
2.	Grounds (B) _____	9.	Employee Attitude (A) _____	16.	Regulations (A) _____
3.	Public Signs (C) _____	10.	Employee Appearance (A) _____	17.	Interpretation (B) _____
4.	Garbage and Trash (B) _____	11.	Operating Hours (B) _____		
		12.	Staffing (A) _____	<b>F. Other</b>	
<b>B. Facility Interior</b>		<b>D. Rates</b>		18.	Accessibility (A) _____
5.	Public Restrooms (A) _____	13.	Authorized Rates (A) _____	19.	Beverage Container Guidelines (B) _____
6.	Public Signs (C) _____	14.	Posting of Rates (B) _____		
7.	Public and Other Areas (B) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**MARINA FACILITIES**  
**Standard 10-608**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>F. (Continued)</b>	
1.	Structure Condition (B) _____	11.	Authorized Rates (A) _____	22.	Courtesy Docks (A) _____
2.	Grounds (B) _____	12.	Posting of Rates (B) _____	23.	Dock Carts (C) _____
3.	Garbage and Trash (B) _____	13.	Sales Verification (C) _____	24.	Boat Sewage Pump Out (B) _____
<b>B. Facility Interior</b>		14.	Reservation and Deposit Refunds (B) _____	25.	Storage Lockers (C) _____
4.	Public Restrooms (A) _____	<b>E. Slip Rentals</b>		26.	Transportation (B) _____
5.	Public and Other Areas (B) _____	15.	Rental Registers (B) _____	<b>G. Safety</b>	
<b>C. Operations</b>		16.	Order of Rental (A) _____	27.	Fuel Dock (A) _____
6.	Employee Performance (A) _____	17.	Rental Agreements (A) _____	28.	Utility Lines (A) _____
7.	Employee Attitude (A) _____	19.	Authorized Types of Rentals (A) _____	29.	Security/Lighting (B) _____
8.	Employee Appearance (A) _____	<b>F. Dock Operations</b>		<b>H. Other</b>	
9.	Operating Hours (B) _____	19.	Identification (B) _____	30.	Public Signs (A) _____
10.	Staffing (A) _____	20.	Dock/Ramp Maintenance (A) _____	31.	Vending (B) _____
		21.	Dock Accessories (B) _____	32.	Beverage Container Guidelines (B) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**HORSE AND MULE OPERATIONS**  
**Standard 10-609**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>H. Services</b>	
1.	Structure Condition (B) _____	11.	Authorized Rates (A) _____	22.	Trail Operation (B) _____
2.	Grounds (B) _____	12.	Posting of Rates (B) _____	23.	Food Services (A) _____
3.	Garbage and Trash (A) _____	13.	Reservation and Deposit Refunds (B) _____	<b>I. Orientation and Interpretation</b>	
<b>B. Facility Interior</b>		<b>E. Stock Care</b>		24.	Visitor Safety Orientation (A) _____
4.	Public Restrooms (A) _____	14.	Treatment of Stock (A) _____	25.	Pre-trip and Post-trip Activities (B) _____
5.	Public and Other Areas (B) _____	15.	Stock Examination (A) _____	26.	Program Content (B) _____
<b>C. Operations</b>		16.	Quantity of Stock (B) _____	27.	Program Delivery (B) _____
6.	Employee Training (A) _____	17.	Quality of Stock (A) _____	<b>J. Other</b>	
7.	Employee Attitude (A) _____	<b>F. Equipment</b>		28.	Public Signs (B) _____
8.	Employee Appearance (A) _____	18.	Tack Condition (A) _____	29.	Vending Machines (B) _____
9.	Operating Hours (B) _____	19.	Adequacy (B) _____	30.	Beverage Container Guidelines (B) _____
10.	Staffing (A) _____	<b>G. Safety</b>			
		20.	First Aid Kit (A) _____		
		21.	Communication Equipment (A) _____		

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**SUPPLEMENTARY INTERPRETIVE SERVICES**  
**Standard 10-610**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>F. Continued</b>	
1.	Structure Condition (B) _____	11.	Authorized Rates (A) _____	19.	Publications (B) _____
2.	Grounds (B) _____	<b>E. Interpretive Operations</b>		20.	Medial and Content (B) _____
3.	Public Signs (C) _____	12.	Program Content (B) _____	21.	Communicating Effectively (B) _____
4.	Garbage and Trash (B) _____	13.	Program Presentation (B) _____	22.	Culture or Role Presentations (B) _____
<b>B. Facility Interior</b>		14.	Advertising (B) _____	23.	Costuming (C) _____
5.	Public Restrooms (A) _____	15.	Public Safety (A) _____	<b>G. Other</b>	
6.	Public Signs (C) _____	16.	Attendance (B) _____	24.	Vending (B) _____
7.	Public and Other Areas (B) _____	<b>F. Media</b>		25.	Beverage Container Guidelines (B) _____
<b>C. Operations</b>		17.	Exhibits (B) _____		
8.	Employee Performance (A) _____	18.	Audiovisual Program and Equipment (B) _____		
9.	Employee Attitude (A) _____				
10.	Employee Appearance (A) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:



**GROUP EMPLOYEE HOUSING**  
**Standard 10-611**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. (continued)</b>		<b>E. Bathroom</b>	
1.	Structure Condition (B) _____	8.	Furniture and Furnishings (B) _____	19.	Linen (A) _____
2.	Grounds (B) _____	9.	Window Coverings (B) _____	20.	Toilet Tissue (B) _____
3.	Public Signs (C) _____	10.	Floors, Walls, Ceilings, and Windows (B) _____	21.	Wastebasket (C) _____
4.	Garbage and Trash (A) _____	11.	Bedding (A) _____	22.	Shower Enclosure (B) _____
<b>B. Facility Interior</b>		12.	Bed Condition (A) _____	23.	Tubs and Showers (A) _____
5.	Public and Other Areas (B) _____	13.	Illumination (C) _____	24.	Fixtures (A) _____
<b>C. Operations</b>		14.	Environment (B) _____	25.	Environment (A) _____
6.	Staff Responsibilities (B) _____	15.	Security (A) _____	<b>F. Other</b>	
<b>D. Room Housekeeping</b>		16.	Utilities and Appliances (A) _____	26.	Storage (B) _____
7.	Room Organization (C) _____	17.	Vending (B) _____	27.	Parking (C) _____
		18.	Beverage Container Guidelines (B) _____	28.	Pets (B) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**PUBLIC SHOWERS AND LAUNDRIES**  
**Standard 10-612**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>F. Laundry Facilities</b>	
1.	Structure Condition (B) _____	10.	Authorized Rates (A) _____	18.	Vending (B) _____
2.	Grounds (B) _____	11.	Posting of Rates (B) _____	19.	Laundry Supplies and Change (B) _____
3.	Garbage and Trash (B) _____	<b>E. Public Showers</b>		<b>G. Other</b>	
<b>B. Facility Interior</b>		12.	Shower Enclosure (A) _____	20.	Public Signs (B) _____
4.	Public Restrooms (A) _____	13.	Shower Stall (A) _____	21.	Timing (B) _____
5.	Public and Other Areas (B) _____	14.	Water Supply (A) _____	22.	Interpretation (B) _____
<b>C. Operations</b>		15.	Dressing Area and Clothes Storage (B) _____	23.	Beverage Container Guidelines (B) _____
6.	Employee Performance (A) _____	16.	Security (B) _____		
7.	Employee Attitude (A) _____	17.	Soap and Towels (A) _____		
8.	Employee Appearance (A) _____				
9.	Operating Hours (B) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Operation and Facilities Evaluation Report

Region \_\_\_\_\_

Recreation/Wildlife Area \_\_\_\_\_

**TRAILER/RV PARK (SHORT TERM) AND  
CONCESSIONAIRE-OPERATED CAMPGROUNDS  
Standard 10-613**

Name of Concessionaire \_\_\_\_\_

Facility/Service \_\_\_\_\_

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>F. (continued)</b>	
1.	Structure Condition (B) _____	13.	Authorized Rates (A) _____	22.	Trailer Size Requirement (A) _____
2.	Grounds/Site Maintenance (B) _____	14.	Sales Verification (C) _____	23.	Vehicles and Boats (B) _____
3.	Garbage and Trash (B) _____	<b>E. Site Rental Operation</b>		24.	Landscaping (B) _____
<b>B. Facility Interior</b>		15.	Rental Agreements (B) _____	25.	Pets (B) _____
4.	Public Restrooms (A) _____	16.	Authorized Number and Types of Rentals (A) _____	26.	Mechanical Repairs (B) _____
5.	Shower Areas (B) _____	17.	Order of Rental (A) _____	27.	Dumping Station (A) _____
6.	Public and Other Areas (B) _____	18.	Site Registers (B) _____	28.	Open Fires (B) _____
<b>C. Operations</b>		19.	Bureau of Reclamation Passports (A) _____	<b>G. Other</b>	
7.	Employee Performance (A) _____	<b>F. Trailer Village and Campground Operations</b>		29.	Public Signs (B) _____
8.	Employee Attitude (A) _____	20.	Employee Residential Area (B) _____	30.	Vending (B) _____
9.	Employee Appearance (A) _____	21.	Site Boundaries and Site Numbers (B) _____	31.	Beverage Container Guidelines (B) _____
10.	Operating Hours and Quiet Hours (B) _____				
11.	Staffing (A) _____				
12.	Public and Emergency Information (B) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**TRAILER VILLAGES (LONG-TERM)**  
**Standard 10-614**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>E. Site Rental Operations</b>		<b>F. (continued)</b>	
1.	Structure Condition (B) _____	12.	Rental Agreements (B) _____	27.	Foundations (B) _____
2.	Grounds and Site Maintenance (B) _____	13.	Authorized Number and Type of Rentals (A) _____	28.	Storage Facilities (B) _____
3.	Garbage and Trash (B) _____	14.	Site Registers (B) _____	29.	Porches, Awnings, and Shade Structures (B) _____
<b>B. Facility Interior</b>		15.	Order of Rentals (B) _____	30.	Skirting (B) _____
4.	Public Restrooms (A) _____	16.	Termination of Lease (B) _____	31.	Outdoor Showers (C) _____
5.	Public and Other Areas (B) _____	17.	Sale of Trailers (A) _____	32.	Appliances and Yard Furniture (B) _____
<b>C. Operations</b>		18.	Limitation of Occupancy (A) _____	33.	Radio and Television Antennas or Satellite Dishes (B) _____
6.	Employee Performance (A) _____	<b>F. Trailer Village Operations</b>		34.	Pets (B) _____
7.	Employee Attitude (A) _____	19.	Site Boundaries and Site Numbers (B) _____	35.	Mechanical Repairs (B) _____
8.	Employee Appearance (A) _____	20.	Trailer Spacing and Size Requirements (A) _____	36.	Liquefied Petroleum Gas Tanks (A) _____
9.	Operating Hours (B) _____	21.	Trailer Additions and Expansions (B) _____	37.	Fuel Oil Tanks (B) _____
<b>D. Rates</b>		22.	Storage Space (B) _____	<b>G. Other</b>	
10.	Authorized Rates (A) _____	23.	Vehicles and Boats (B) _____	38.	Public Signs (B) _____
11.	Sales Verification (C) _____	24.	Condition of Trailer (B) _____	39.	Vending (B) _____
		25.	Landscaping (B) _____	40.	Beverage Container Guidelines (B) _____
		26.	Walks, Walkways, Patio Slabs, Retaining Walls, and Fences (B) _____		

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**GUIDE SERVICES**  
**Standard 10-615**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Operations</b>		<b>C. Equipment</b>		<b>E. Environmental Protection</b>	
1.	Employee and Guide Training Programs (B) _____	9.	Watercraft (A) _____	18.	Litter and Trash (A) _____
2.	Employee and Guide Performance (A) _____	10.	Emergency Equipment (A) _____	19.	Sanitation and Human Waste (A) _____
3.	Employee and Guide Attitude (A) _____	11.	First Aid Kit (A) _____	20.	Fire Pans and Fuel (A) _____
4.	Employee and Guide Appearance (C) _____	12.	Personal Flotation Devices (A) _____	21.	Restricted Areas (A) _____
5.	Staffing (A) _____	13.	Transportation Equipment (A) _____	22.	Other Requirements (B) _____
6.	Qualification Requirements (A) _____	14.	Other Equipment (B) _____	<b>F. Orientation and Interpretation</b>	
<b>B. Rates</b>		<b>D. Services</b>		23.	Visitor Safety Orientation (A) _____
7.	Authorized Rates (A) _____	15.	Food Service Sanitation (A) _____	24.	Trip Activities (B) _____
8.	Reservation and Deposit Refunds (B) _____	16.	Food and Water Quality and Quantity (A) _____	25.	Program Content (B) _____
		17.	Safety (A) _____	26.	Program Delivery (B) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**BOAT RENTAL OPERATIONS**  
**Standard 10-616**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>G. Safety</b>	
1.	Structure Condition (B) _____	11.	Authorized Rates (A) _____	21.	Safety Equipment (A) _____
2.	Grounds (B) _____	12.	Posting of Rates (B) _____	22.	Vessel Identification (B) _____
3.	Garbage and Trash (B) _____	13.	Reservation and Deposit Refunds (B) _____	23.	Chase Boats (A) _____
<b>B. Facility Interior</b>		<b>E. Rental Services</b>		<b>H. Orientation and Interpretation</b>	
4.	Public Restrooms (A) _____	14.	Rental Agreements (B) _____	24.	Visitor Safety Orientation (A) _____
5.	Public and Other Areas (B) _____	15.	Order of Rental (B) _____	25.	Interpretation (B) _____
<b>C. Operations</b>		16.	Rental Registers (B) _____	<b>I. Other</b>	
6.	Employee Performance (A) _____	17.	Authorized Rates (A) _____	26.	Transportation (A) _____
7.	Employee Attitude (A) _____	<b>F. Rental Equipment</b>		27.	Storage Lockers (C) _____
8.	Employee Appearance (A) _____	18.	Maintenance (A) _____	28.	Public Signs (C) _____
9.	Operating Hours (B) _____	19.	Sanitation Equipment (A) _____	29.	Vending (B) _____
10.	Staffing (A) _____	20.	Other Equipment (A) _____	30.	Beverage Container Guidelines (B) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

**PRIMITIVE AND RUSTIC LODGING**  
**Standard 10-617**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. (continued)</b>		<b>F. Bathrooms (individual or central)</b>	
1.	Structure Condition (B) _____	15.	Identification of Area (C) _____	30.	Linen (A) _____
2.	Grounds (B) _____	16.	Informational Material (C) _____	31.	Soap (B) _____
3.	Public Signs (C) _____	<b>D. Rates</b>		32.	Toilet Tissue (B) _____
4.	Garbage and Trash (B) _____	17.	Authorized Rates (A) _____	33.	Wastebasket (C) _____
<b>B. Facility Interior</b>		18.	Posting of Rates (B) _____	34.	Drinking Containers (B) _____
5.	Public Restrooms (A) _____	<b>E. Accommodations</b>		35.	Shower Enclosures (B) _____
6.	Public Signs (C) _____	19.	Room(s) Organization (C) _____	36.	Tubs and Showers (A) _____
7.	Public and Other Areas (B) _____	20.	Furniture and Furnishings (B) _____	37.	Fixtures (A) _____
<b>C. Operations</b>		21.	Window Coverings (B) _____	38.	Environment (A) _____
8.	Employee Performance (A) _____	22.	Floors, Walls, Ceilings, and Windows (B) _____	<b>G. Other</b>	
9.	Employee Attitude (A) _____	23.	Bedding (A) _____	39.	Vending (B) _____
10.	Employee Appearance (A) _____	24.	Bed Condition (A) _____	40.	Beverage Container Guidelines (B) _____
11.	Operating Hours (B) _____	25.	Illumination (B) _____		
12.	Staffing (A) _____	26.	Tents or Other Facilities Without Electrification (B) _____		
13.	Reservation and Deposit Refund (B) _____	27.	Environment (B) _____		
14.	Accommodation Availability (B) _____	28.	Security (A) _____		
		29.	Utilities and Appliances (B) _____		

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**GOLF COURSE OPERATIONS**  
**Standard 10-618**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>D. Rates</b>		<b>E. (continued)</b>	
1.	Structure Condition (B) _____	13.	Authorized Rates (A) _____	22.	Order of Rental and Starting (A) _____
2.	Grounds (B) _____	14.	Posting of Rates (B) _____	<b>F. Golf Course Proper</b>	
3.	Public Signs (C) _____	15.	Sales Verification (C) _____	23.	Accessories (A) _____
4.	Garbage and Trash (B) _____	16.	Rain Check and Deposit Refunds (B) _____	24.	Maintenance of Golf Course (A) _____
<b>B. Facility Interior</b>		17.	Rental Service Verification (C) _____	<b>G. Other</b>	
5.	Public Restrooms (A) _____	<b>E. Equipment and Services</b>		25.	Information Material (C) _____
6.	Public Signs (C) _____	18.	Authorized Equipment (A) _____	26.	Practice Facilities (A) _____
7.	Public and Other Areas (B) _____	19.	Maintenance (A) _____	27.	Vending (B) _____
<b>C. Operations</b>		20.	Equipment (B) _____	28.	Beverage Container Guidelines (B) _____
8.	Employee Performance (A) _____	21.	Visitor Orientation and Instruction (C) _____		
9.	Employee Attitude (A) _____				
10.	Employee Appearance (A) _____				
11.	Operating Hours (B) _____				
12.	Staffing (A) _____				

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:



**SWIMMING POOL FACILITIES**  
**Standard 10-619**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Facility Exterior</b>		<b>C. (continued)</b>		<b>E. (continued)</b>	
1.	Structure Condition (B) _____	10.	Employee Appearance (A) _____	19.	Depth Markings (B) _____
2.	Grounds (B) _____	11.	Operating Hours (B) _____	20.	Ladders (B) _____
3.	Public Signs (C) _____	12.	Staffing (A) _____	21.	Water Quality and Filtration Systems (A) _____
4.	Garbage and Trash (B) _____	<b>D. Bathhouse</b>		22.	Fencing (A) _____
<b>B. Facility Interior</b>		13.	Shower Stalls (B) _____	<b>F. Safety</b>	
5.	Public Restrooms (A) _____	14.	Flooring (A) _____	23.	First Aid Kit (A) _____
6.	Public Notices and Signs (C) _____	15.	Dressing Area and Clothes Storage (B) _____	24.	Reaching Poles and Buoys (A) _____
7.	Public and Other Areas (B) _____	16.	Security (B) _____	<b>G. Other</b>	
<b>C. Operations</b>		<b>E. Swimming Pool and Pool Area</b>		25.	Vending (B) _____
8.	Employee Performance (A) _____	17.	Walls (Sides) and Floors (A) _____	26.	Beverage Container Guidelines (B) _____
9.	Employee Attitude (A) _____	18.	Apron Area (B) _____		

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

**MOUNTAINEERING GUIDE SERVICES**  
**Standard 10-620**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Operations</b>		<b>B. Rates</b>		<b>D. Safety</b>	
1.	Employee Performance (A) _____	8.	Authorized Rates (A) _____	13.	Client Orientation (A) _____
2.	Employee Attitude (A) _____	9.	Posting of Rates (B) _____	14.	Safety (A) _____
3.	Employee Appearance (A) _____	10.	Reservation and Deposit Refunds (B) _____	<b>E. Environmental Protection</b>	
4.	Operating Hours (B) _____	<b>C. Equipment</b>		15.	Camping Sanitation (B) _____
5.	Staffing (A) _____	11.	Condition (A) _____	16.	Climbing Ethics (C) _____
6.	Client/Guide Ratio (A) _____	12.	Adequacy (A) _____	<b>F. Services</b>	
7.	Back-Country Registration (A) _____			17.	Interpretation (B) _____
				18.	Food Service (A) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:





**SAFETY EVALUATION**  
**Standard 10-623**

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and mark those that are deficient)

Item No.	Element	Item No.	Element	Item No.	Element
<b>A. Administration</b>		<b>C. Deficiency Classification and Hazard Abatement Schedules</b>		<b>E. Public Safety Awareness</b>	
1.	Policy written and available to staff (B) _____	11.	"Imminent danger" deficiencies abated or plans developed within timeframes (A) _____	16.	Communication of activity-related hazards (B) _____
2.	Safety and health official is designated (C) _____	12.	"Serious hazard" deficiencies abated or action plans developed within time limits (A) _____	17.	Communication of resources related hazards (B) _____
3.	Management and staff held accountable for compliance (A) _____	13.	"Nonserious hazard" deficiencies abated or action plans developed within time limits (A) _____	<b>F. Training</b>	
4.	Funds/resources (A) _____	<b>D. Accident Reporting and Investigation</b>		18.	Training plan and accomplished training for supervisors (B) _____
5.	Goals and objectives (B) _____	14.	Documented plan for reporting and investigating employee and visitor accidents/incidents (C) _____	19.	Training plan and accomplished training for safety and health officials (B) _____
6.	Program administration (C) _____	15.	All reportable accidents are being reported to Reclamation (B) _____	20.	Training plan and accomplished training for employees (B) _____
<b>B. Inspections</b>				<b>G. Emergency Procedures</b>	
7.	Inspections schedule has been developed (B) _____			21.	Procedures are documented for all probable occurrences (B) _____
8.	Inspections are conducted as scheduled or required (A) _____			22.	Plans are coordinated with Reclamation (B) _____
9.	Inspections conducted by person(s) capable of recognizing and evaluating hazards (B) _____			23.	Plans are distributed to employees or posted conspicuously (B) _____
10.	Inspection records kept for a minimum of 3 years (C) _____				

Item No.	Evaluation Observations	To be Corrected By (date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary	(Signature)	(Signature)
Followup					_____ Final	(Signature)	(Signature)

Remarks:

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Region \_\_\_\_\_

Recreation/Wildlife Area \_\_\_\_\_

**ENVIRONMENTAL EVALUATION REPORT**  
**Standard 10-624**

Name of Concessionaire \_\_\_\_\_

Facility/Service \_\_\_\_\_

**NOTICE TO CONCESSIONAIRE:** The element(s) checked (X) below were found deficient on the date of this evaluation and must be corrected by the date(s) specified below. Failure to make correction(s) within the date(s) specified may result in an unsatisfactory rating that may affect your contract. Followup evaluations will be conducted to determine if corrective actions have been taken.

**ELEMENT CLASSIFICATIONS**

(Circle applicable element numbers and (X) in space provided those that are deficient)

Item No.	Element
1.	Hazardous wastes are properly identified (A) _____
2.	An oil and hazardous spill contingency plan is in place (A) _____
3.	A hazardous waste minimization strategy is in place (B) _____
4.	Areas of contamination caused by or attributable to concessionaire are appropriately mitigated (A) _____
5.	Hazardous materials inventories and use records are maintained (A) _____
6.	A solid waste minimization strategy is in place (B) _____
7.	An affirmative procurement program is in place to ensure that (B) _____
8.	Concessionaire will conserve energy and improve energy efficiency (B) _____
9.	Concessionaire follows the goals and objectives of the area's water conservation program (B) _____
10.	Prior written approval of Reclamation supports use of any pesticide, herbicide, etc. (B) _____
11.	Sight, sound, and odor impacts to the environment and visitor use areas are not at acceptable levels (B) _____
12.	Care is exercised to avoid introduction of non-native species (A) _____
13.	Concessionaire conducts recurring training of staff (A) _____
14.	Employee incentive program is in place to reward (B) _____
15.	Planning and design for facilities are coordinated with area manager (A) _____
16.	Required environmental protection and pollution prevention facilities are in place (A) _____

Item No.	Evaluation Observations	To Be Corrected By (Date)	Date Corrected

Evaluation	Date	No. of Observations By Classification			Numeric Periodic Rating	Reclamation Evaluator	Concessionaire
		(A)	(B)	(C)			
Initial					_____ Preliminary _____	(Signature)	(Signature)
Followup					_____ Final _____	(Signature)	(Signature)

Remarks:

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

**CONTRACT COMPLIANCE REPORT**  
**FOR THE \_\_\_\_\_ OPERATING YEAR**  
**Standard 10-625**

Reclamation Area: \_\_\_\_\_ Concessionaire: \_\_\_\_\_

Contract No. \_\_\_\_\_ Preparer of Compliance Report: \_\_\_\_\_

	COMPLIANCE		
	YES	NO	N/A
1. IMP, CFIP, and RAFI Programs	_____	_____	_____
2. Operations and Services	_____	_____	_____
3. Facilities, Personnel, and Rates	_____	_____	_____
4. Maintenance	_____	_____	_____
5. Utilities	_____	_____	_____
6. Accounting Records and Reports	_____	_____	_____
7. Franchise Fee	_____	_____	_____
8. Bond and Lien	_____	_____	_____
9. Insurance	_____	_____	_____

CONTRACT COMPLIANCE RATING: \_\_\_\_\_  
*(Satisfactory, Marginal, Unsatisfactory)*

Reviewer's Signature	Date	Concessionaire's Signature to Signify Receipt of Rating	Date
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UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

**CONCESSIONAIRE ANNUAL OVERALL RATING**  
**Standard 10-630**

Region: \_\_\_\_\_ Contract No.: \_\_\_\_\_

Area: \_\_\_\_\_ Date: \_\_\_\_\_

Concessionaire: \_\_\_\_\_ Year of Operation: \_\_\_\_\_

Operational Performance Rating: \_\_\_\_\_  
*(Satisfactory, Marginal, Unsatisfactory)*

Contract Compliance Rating: \_\_\_\_\_  
*(Satisfactory, Marginal, Unsatisfactory)*

Annual Overall Rating Determination: \_\_\_\_\_  
*(Satisfactory, Marginal, Unsatisfactory)*

---

Annual overall narrative assessment and comments on the concessions contractual obligations and operational performance for this year.

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Area Manager's Signature	Date	Concessionaire's Signature to Signify Receipt of Rating	Date
--------------------------	------	--	------



### CONTRACT COMPLIANCE CHECKLIST

**1. IMP, CFIP, and RAFI PROGRAMS**

YES                      NO

A. Does the contract require an IMP, CFIP, or RAFI Program? \_\_\_\_\_

B. If the answer to (A) above is yes,

(1) Is any portion of such programs applicable to this rating period? \_\_\_\_\_

(2) If (1) above is yes, have plans and specifications been submitted and approved by the area manager? \_\_\_\_\_

(3) What portions of the IMP, CFIP, or RAFI Programs have been completed during this rating period? \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(4) What was the starting date as stated in the contract? \_\_\_\_\_

(5) What was the actual starting date? \_\_\_\_\_

(6) What is the contractual completion date? \_\_\_\_\_

(7) If already completed, give the actual completion date: \_\_\_\_\_

(8) Has the concessionaire submitted documentation to evidence expenditures of the program?  
YES \_\_\_\_\_ NO \_\_\_\_\_

**2. OPERATIONS AND SERVICES**

A. Are all accommodations, facilities, and services that are required or authorized in this contract being provided?  
YES \_\_\_\_\_ NO \_\_\_\_\_

B. Are any services being provided that are not authorized under this contract? YES \_\_\_\_\_ NO \_\_\_\_\_  
If the answer is yes, list the services \_\_\_\_\_

**3. FACILITIES, PERSONNEL, AND RATES**

A. Does the concessionaire meet the criteria for needing an Affirmative Action Plan?  
YES \_\_\_\_\_ NO \_\_\_\_\_ (See item B.3 of instructions for criteria.)

If the answer is no, disregard the next question. If yes:

(1) Does the concessionaire have a written Affirmative Action Plan? YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is no, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Are EEO posters furnished and adequately displayed? YES \_\_\_\_\_ NO \_\_\_\_\_

- C. Have current rates used by the concessionaire been approved by the area manager and properly documented by supporting rate approval studies in accordance with the Rate Approval Program guidelines?  
YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is no, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4. MAINTENANCE AND OPERATIONS**

- A. Has the concessionaire fulfilled the terms of any maintenance agreement, including the dollar amount, if stipulated? YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is no, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. Has the concessionaire fulfilled the terms of the Operating Plan, excluding the standards of operation?  
YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is no, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**5. UTILITIES**

- A. List utility services provided by Reclamation for the concessionaire:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. If the concessionaire is charged for the service(s) provided, was payment made in a timely manner?  
YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

**6. ACCOUNTING RECORDS AND REPORTS**

- A. Has the Annual Financial Report (AFR) been audited or reviewed, as required by the concession contract?  
YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

- B. Does the AFR contain all required information, as stipulated by the concession contract?  
YES \_\_\_\_\_ NO \_\_\_\_\_

List any information required by the concession contract that is missing from the concessionaire's AFR.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**7. FRANCHISE FEE**

- A. Are there franchise fees (including building use fees) past due from the concessionaire?  
YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

B. For the last 12 months, list due date and date paid for franchise fees (NOTE: Some concessionaires are required to pay more than once a year).

Due:	_____	_____	_____	_____	_____	_____
Paid:	_____	_____	_____	_____	_____	_____
Due:	_____	_____	_____	_____	_____	_____
Paid:	_____	_____	_____	_____	_____	_____

C. If applicable, what is the next date for renegotiation of fees? \_\_\_\_\_

D. Is the amount of sales claimed as exempt from franchise fee supported by invoices bearing a certification by the seller that the items meet Reclamation standards for Native American and Indian handcraft items?  
YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

**8. BOND AND LIEN**

A. Was a bond required by the contract? YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

B. If yes, give amount and date posted? \_\_\_\_\_

If a bond was not required, mark N/A above.

**9. INSURANCE**

Fill out the attached Insurance Review Checklist (next page) first; it will enable you to answer the questions below.

Answer the questions that apply and attach the checklist.

A. Has the concessionaire provided the area manager with a Certificate of Insurance or Broker's Analysis?  
YES \_\_\_\_\_ NO \_\_\_\_\_

B. Has the concessionaire purchased all the required property coverages in the amount required?  
YES \_\_\_\_\_ NO \_\_\_\_\_

C. Has the concessionaire purchased all the required liability coverages in the amount required?  
YES \_\_\_\_\_ NO \_\_\_\_\_

D. Has the concessionaire included in its insurance policy all clauses as required in the concession contract?  
YES \_\_\_\_\_ NO \_\_\_\_\_

If the answer is no, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. **OTHER REQUIREMENTS (ADD)** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# INSURANCE REVIEW CHECKLIST

\_\_\_\_\_  
(Date)

Reclamation Area: \_\_\_\_\_ Concessionaire: \_\_\_\_\_

Preparer of Insurance Review: \_\_\_\_\_

Has the concessionaire submitted a Certificate of Insurance? YES \_\_\_\_\_ NO \_\_\_\_\_

**A. PROPERTY INSURANCE COVERAGE**

1. Compare the building value as estimated by Reclamation with the value stated in the fire and extended coverage insurance (use a continuation sheet, if necessary).

Building	Reclamation Value (A)	Insurance Coverage (B)	Coverages on Contents
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____
<b>Total</b>	\$ _____	\$ _____	\$ _____

2. Do the coverages in column B equal the values in column A? YES \_\_\_\_\_ NO \_\_\_\_\_

3. If blanket coverage is provided, what is the amount? \$ \_\_\_\_\_  
Does that amount equal the highest building value in column A? YES \_\_\_\_\_ NO \_\_\_\_\_

4. If the answer to question 2 or 3 is no:

a. Has the regional director made a formal determination that the building(s) affected will not be replaced if destroyed? YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

If yes, where is the decision documented? \_\_\_\_\_

b. If Reclamation has not made such a "no replacement" determination, was one of the following lesser coverages approved?

Type of Coverage	Approved By
Surplus Line	Area Manager _____
Deductible	Reg. Dir. up to 5% _____ Dir. over 5% _____
Self Assumption	Reg. Dir. up to 5% _____ Dir. over 5% _____
Actual Cash Value	Dir. _____
No Insurance	Dir. _____

5. When were building values last adjusted for inflation? \_\_\_\_\_

6. Special Coverages

Coverages	Required		If required, amount coverage
	Yes	No	
Contents (if not in above)	_____	_____	\$ _____
Builder's risk	_____	_____	\$ _____
Boiler and machinery	_____	_____	\$ _____
Sprinkler leakage	_____	_____	\$ _____
Other (specify)	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____

7. Does (do) insurance policy(ies) contain the following clauses?

	Yes	No	N/A
U.S. Government is an "additional named insured"	_____	_____	_____
Same site property replacement clause waived	_____	_____	_____
Loss payable clause for U.S. Government owned buildings	_____	_____	_____

**B. LIABILITY INSURANCE COVERAGE**

1. Types and amounts of coverage

Type of Coverage	Amount of Coverage		
	Bodily Injury Per		Property Damage
	Person	Occurrence	
Comprehensive General Liability	\$ _____	\$ _____	\$ _____
Does it include:			
Product completed operation	YES _____ NO _____ N/A _____		
Contractual liability	YES _____ NO _____ N/A _____		
Liquor liability	YES _____ NO _____ N/A _____		
Protection and Indemnity Liability for Watercraft	\$ _____	\$ _____	\$ _____
Comprehensive Auto Liability	\$ _____	\$ _____	\$ _____
Workers Compensation	YES _____ NO _____		

In addition to the above, does the concessionaire have an umbrella liability policy?

YES \_\_\_\_\_ NO \_\_\_\_\_ Amount \$ \_\_\_\_\_

2. Does the policy specify that the insurance company has no right of subrogation against the United States of America? YES \_\_\_\_\_ NO \_\_\_\_\_

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(Area Name)

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# CHAPTER 9 – CONCESSIONAIRE ANNUAL FINANCIAL REPORT

## GENERAL INSTRUCTIONS

The Annual Financial Report (AFR) instruction booklet was prepared by Reclamation to help the preparers of the AFR complete the enclosed schedules. For each schedule, a corresponding page is attached that explains (by line item) the information that needs to be provided in the schedule.

### **A. WHO MUST FILE**

All concessionaires must file a Concessionaire Annual Financial Report corresponding to each year of operation. Concessionaires operating in more than one area under the same contract shall prepare a separate report for each area in which the operations are located.

### **B. WHEN AND WHERE TO FILE**

Concessionaires must file an AFR within the time period specified in the authorizing document (contract or permit). Concessionaires shall submit one signed original and one copy to the area manager administering the area.

### **C. WHERE TO GET FORMS**

Concessionaires may obtain the Concessionaire Annual Financial Report forms from the area manager.

### **D. ROUNDING**

All entries should be rounded to the nearest dollar. Round \$0.50 to the next highest dollar.

### **E. REQUIREMENT FOR AUDIT AND REVIEW**

If a concession's annual gross receipts equal or exceed \$250,000, the Primary Schedules (Schedules A through F, I, and P of the Concessionaire Annual Financial Report, below) must be reviewed by an independent CPA in accordance with the Statements on Auditing Standards as issued by the Auditing Standards Board, which is governed by the American Institute of Certified Public Accountants. If annual gross receipts are above \$1 million, the Primary Schedules must be audited by an independent CPA in accordance with the same statements and standards mentioned above.

In both circumstances mentioned above, all supplemental schedules must also be fully completed. If the concessionaire's gross receipts are below \$250,000, the concessionaire is required to complete only Schedules A, B, C, F, G, H, I, J, K, N, O, and P.

If you have any questions, you may call the area manager or a designated individual at \_\_\_\_\_ **[NOTE: Add phone number.]**





UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Bureau of Reclamation  
Use Only  
Date Received:  
\_\_\_\_\_

## CONCESSIONAIRE ANNUAL FINANCIAL REPORT

Concessionaire: \_\_\_\_\_

Area: \_\_\_\_\_

(Contract or Permit No.)

(Effective Date)

(Expiration Date)

Corporation

Limited Liability Corporation

Partnership

Sole Proprietorship

### Primary and Supplemental Schedules

- Schedule A – Statement of Income
- Schedule B – Balance Sheet
- Schedule C – Depreciable Fixed Assets
- Schedule D – Statement of Cash Flows
- Schedule E – Notes to the Financial Statements
- Schedule F – Details of Gross Receipts
- Schedule G – Departmental Income and Expenses
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- Schedule O – Reserve Account Expenditures
- Schedule P – Operational and Miscellaneous Financial Statistics
- Schedule P1 – Operational and Miscellaneous Financial Statistics (continuation sheet)



### CONCESSIONAIRE'S CERTIFICATION

I certify that this report (including accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete report.

\_\_\_\_\_  
(Concessionaire's Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_  
(Telephone number)

\_\_\_\_\_  
(E-Mail Address)

\_\_\_\_\_  
(FAX number)

## SCHEDULE A – STATEMENT OF INCOME

- Line 1. Enter the amount shown on Schedule G, Column A, Line 2.  
Line 2. Enter the amount shown on Schedule G, Column A, Line 3.  
Line 3. Subtract Line 2 from Line 1 and enter the amount.  
Line 4. Enter the amount shown on Schedule G, Column A, Line 8.  
Line 5. Subtract Line 4 from Line 3 and enter the amount.  
Line 6. Enter the amount shown on Schedule G, Column A, Line 27.  
Line 7. Subtract Line 6 from Line 5 and enter the amount.  
Line 8. Enter the amount shown on Schedule H, Line 10.  
Line 9. Enter the amount shown on Schedule H, Line 32.  
Line 10. Enter the amount shown on Schedule I, Line 31.  
Line 11. Add Lines 8 through 10.  
Line 12. Subtract Line 11 from Line 7 and enter the amount.  
Line 13. Enter the amount paid or accrued for the rental of facilities. This category will include mostly rental of facilities outside the area boundary. It will exclude the cost to rent equipment, which should be included in the amount entered on Line 6.  
Line 14. Self-Explanatory.  
Line 15. Self-Explanatory.  
Line 16. Self-Explanatory.  
Line 17. Enter the amount shown on Schedule C, Column G, Line 6.  
Line 18. Enter the total year's amortization charge for all classes of intangible assets.  
Line 19. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.  
Line 20. Enter the description of other fixed expenses and amounts for these fixed expenses not shown elsewhere.  
Line 21. Add Lines 13 through 20 and enter the amount.  
Line 22. Subtract Line 21 from Line 12 and enter the amount.  
Line 23. Enter the total amount of all interest and dividend revenue accrued and earned during the year.  
Line 24. Enter the total amount of all gains and losses resulting from the sale of assets.  
Line 25. Enter the total amount of all compensation received from subconcessionaires.  
Line 26. Enter the description and income from sources not shown elsewhere.  
Line 27. Add Lines 23 through 26 and enter the amount.  
Line 28. Subtract Line 27 from Line 22 and enter the amount.  
Line 29. Self-Explanatory.  
Line 30. Self-Explanatory.  
Line 31. Add Lines 29 and 30 and enter the amount.  
Line 32. Subtract Line 31 from Line 28 and enter the amount.

Concessionaire

Year Ending:

Statement of Income		[REDACTED]
	This Year	Last Year
<b>Departmental Income</b>		
1. Gross Receipts (Schedule G, Column A, Line 2) .....	_____	_____
2. Returns and Allowances (Schedule G, Column A, Line 3) .....	_____	_____
3. Net Sales (Schedule G, Column A, Line 4) .....	_____	_____
4. Cost of Sales (Schedule G, Column A, Line 8).....	_____	_____
5. Gross Profit (Schedule G, Column A, Line 9) .....	_____	_____
6. Total Direct Expenses (Schedule G, Column A, Line 27) .....	_____	_____
7. Departmental Income (Loss) (Schedule G, Column A, Line 28).....	_____	_____
<b>Indirect Operating Expenses</b>		
8. Undistributed Departmental Expenses (Schedule H, Line 10).....	_____	_____
9. General and Administrative Expenses (Schedule H, Line 32)	_____	_____
10. Franchise Fees (Schedule I, Line 31).....	_____	_____
11. Total Indirect Operating Expenses .....	_____	_____
12. Total Income (Loss) from Operations Before Fixed Expenses .....	_____	_____
<b>Fixed Expenses</b>		
13. Rent.....	_____	_____
14. Property Taxes .....	_____	_____
15. Business/Liability/Property Insurance.....	_____	_____
16. Interest Expense .....	_____	_____
17. Depreciation (Schedule C, Column G, Line 6).....	_____	_____
18. Amortization .....	_____	_____
19. Other (Identify)* _____ .....	_____	_____
20. Other (Identify)* _____ .....	_____	_____
21. TOTAL FIXED EXPENSES .....	_____	_____
INCOME (LOSS) BEFORE INCOME TAXES AND OTHER INCOME		
22. OR EXPENSES.....	_____	_____
<b>Other Income (Expenses)</b>		
23. Interest and Dividend Income.....	_____	_____
24. Gain (Loss) on Sale of Property .....	_____	_____
Commissions/Fees/Compensation from Subconcessionaires		
25. (Schedule I, Line 24) .....	_____	_____
26. Other (Identify)* _____ .....	_____	_____
27. TOTAL OTHER INCOME (EXPENSES) .....	_____	_____
28. INCOME (LOSS) BEFORE INCOME TAXES .....	_____	_____
<b>Income Taxes</b>		
29. Federal .....	_____	_____
30. State and Local .....	_____	_____
31. TOTAL INCOME TAXES.....	_____	_____
32. NET INCOME (LOSS).....	_____	_____

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE B – BALANCE SHEET

- Line 1. Self-Explanatory.  
Line 2. Self-Explanatory.  
Line 3. Self-Explanatory.  
Line 4. Self-Explanatory.  
Line 5. Enter the amounts receivable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.  
Line 6. Self-Explanatory.  
Line 7. Self-Explanatory.  
Line 8. Enter the description and total amount of other current assets not shown elsewhere.  
Line 9. Add Lines 1 through 8 and enter the amount.  
Line 10. Enter the amount shown on Schedule C, Column G, Line 4.  
Line 11. Enter the amount shown on Schedule C, Column G, Line 8.  
Line 12. Subtract Line 11 from Line 10 and enter the amount.  
Line 13. Self-Explanatory.  
Line 14. Self-Explanatory.  
Line 15. Add Lines 12 through 14 and enter the amount.  
Line 16. Self-Explanatory. Should equal Schedule N, Line 13.  
Line 17. Enter the description and amount of other assets not shown elsewhere.  
Line 18. Add Lines 16 and 17 and enter the amount.  
Line 19. Add Lines 9, 15, and 18 and enter the amount.  
Line 20. Enter the amounts payable from shareholders, officers, and related entities. This amount must be fully explained in Schedule E, Notes to the Financial Statements.  
Lines 21-25 Self-Explanatory.  
Line 26. Enter amounts such as advance deposits for services not yet rendered (e.g., river trips and lodging).  
Line 27. Enter the description and amounts for other current liabilities not shown elsewhere.  
Line 28. Add Lines 20 through 27 and enter the amount.  
Line 29. Self-Explanatory.  
Line 30. Enter the description and amounts for all other long-term liabilities not shown elsewhere.  
Line 31. Add Lines 29 and 30 and enter the amount.  
Line 32. Add Lines 28 and 31 and enter the amount.  
Line 33. To be filled out by Sole Proprietorships or Partnerships but **NOT** Corporations.  
Lines 34-37 To be filled out by Corporations but **NOT** Sole Proprietorships or Partnerships.  
Line 38. Sole Proprietorships and Partnerships enter the amount from Line 33. Corporations enter the total of Lines 34, 36, and 37 less Line 35.  
Line 39. Add Lines 32 and 38 and enter amount.

**NOTE:** LINE 19 MUST EQUAL LINE 39. IF THE ASSETS REPORTED BY THE CONCESSIONAIRE ARE USED FOR BOTH IN-AREA AND OUT-OF-AREA REVENUE, THE ASSETS REPORTED ON THE BALANCE SHEET SHOULD BE PROPORTIONAL TO THE AMOUNT OF SALES GENERATED IN THE AREA. THE BASIS FOR THIS ALLOCATION SHOULD BE EXPLAINED IN SCHEDULE E, “NOTES TO THE FINANCIAL STATEMENTS.”

Concessionaire

Year Ending:                     

Balance Sheet		This Year	Last Year
<b>ASSETS</b>			
<b>Current Assets</b>			
1.	Cash .....	_____	_____
2.	Marketable Securities .....	_____	_____
3.	Inventories – Merchandise .....	_____	_____
4.	Accounts Receivable .....	_____	_____
5.	Notes Receivable - Related Party .....	_____	_____
6.	Notes Receivable – Other .....	_____	_____
7.	Prepaid Expenses .....	_____	_____
8.	Other (Identify) _____ .....	_____	_____
9.	TOTAL CURRENT ASSETS .....	_____	_____
<b>Fixed Assets</b>			
10.	Depreciable Fixed Assets (Schedule C, Column G, Line 4) .....	_____	_____
11.	Less: Accumulated Depreciation (Schedule C, Column G, Line 8) .....	_____	_____
12.	Net Depreciable Fixed Assets (Schedule C, Column G, Line 9).....	_____	_____
13.	Construction in Progress .....	_____	_____
14.	Land .....	_____	_____
15.	TOTAL FIXED ASSETS .....	_____	_____
<b>Other Assets (Identify)</b>			
16.	Reserve Account (Schedule N, Line 13).....	_____	_____
17.	Other (Identify) _____ .....	_____	_____
18.	TOTAL OTHER ASSETS .....	_____	_____
19.	TOTAL ASSETS.....	_____	_____
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
20.	Notes Payable - Related Party .....	_____	_____
21.	Notes Payable – Other .....	_____	_____
22.	Accounts Payable.....	_____	_____
23.	Current Maturities on Long-Term Debt.....	_____	_____
24.	Government Franchise Fee Payable.....	_____	_____
25.	Accrued Liabilities .....	_____	_____
26.	Advance Deposits .....	_____	_____
27.	Other (Identify) _____ .....	_____	_____
28.	TOTAL CURRENT LIABILITIES.....	_____	_____
<b>Long-Term Liabilities</b>			
29.	Long-Term Debt, Less Current Maturities .....	_____	_____
30.	Other (Identify) _____ .....	_____	_____
31.	TOTAL LONG-TERM LIABILITES.....	_____	_____
32.	TOTAL LIABILITIES .....	_____	_____
<b>EQUITY</b>			
33.	Partner's or Proprietor's Capital .....	_____	_____
34.	Common and Preferred Stock.....	_____	_____
35.	Less: Treasury Stock.....	_____	_____
36.	Additional Paid - In Capital .....	_____	_____
37.	Retained Earnings.....	_____	_____
38.	TOTAL EQUITY .....	_____	_____
39.	TOTAL LIABILITIES AND EQUITY .....	_____	_____

# SCHEDULE C – DEPRECIABLE FIXED ASSETS

## GENERAL

Columns A and B are to be used only for fixed assets in which the concessionaire is granted by Reclamation the right to obtain and, therefore, can claim a CIR interest pursuant to the concession contract.

The cost of concessionaire fixed assets in which the concessionaire holds CIR interests are to be entered in Column A. Such assets may include buildings, structures, fixtures, equipment, and other improvements funded by the concessionaire that are affixed to or resting upon the lands assigned to the concessionaire in such manner as to be part of the realty. Concessionaires showing amounts in Columns A or B must complete Schedule M, “Capital Investment Recovery Assets.”

In Column B, enter the concessionaire’s cost of all alterations, additions, and improvements to Government improvements assigned to the concessionaire in which the concessionaire is granted by Reclamation the right to obtain and, therefore, claim a CIR interest, pursuant to the concession contract.

If the concessionaire has waived a CIR interest in either concession fixed assets or Government improvements, the concessionaire’s cost of those alterations, additions, etc., should be entered in Column C.

Columns D, E, and F - These columns relate to personal property assets such as transportation, furniture, fixtures, equipment, and other personal property in which the concessionaire may not be granted and can not claim a CIR interest.

Concessionaires showing amounts on lines 2, 3, and 7 must complete Schedule L, “Additions to and Disposals of Fixed Assets,” giving details of assets acquired or disposed of, including assets in which the concessionaire can claim a CIR.

- Line 1. Enter in the appropriate columns the fixed asset balances at the beginning of the year. The amounts entered must agree with the amounts on Line 4, ending balance on the previous year’s report. If the amounts do not agree, attach an explanation.
- Line 2. Enter in the appropriate columns additions to fixed assets during the current year.
- Line 3. Enter in the appropriate columns disposals of fixed assets during the current year.
- Line 4. Subtract Line 3 from the sum of Lines 1 and 2 and enter the amount.
- Line 5. Enter in the appropriate columns the accumulated depreciation balances at the beginning of the year. The amounts entered must agree with the amounts on Line 8, ending balance on the previous year’s report. If the amounts do not agree, attach an explanation.
- Line 6. Enter in the appropriate columns the depreciation of fixed assets during the current year.
- Line 7. Enter in the appropriate columns the accumulated depreciation of fixed assets disposed of during the current year.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount.
- Line 9. Subtract Line 8 from Line 4 and enter the amount.

Concessionaire

Year Ending: ██████████

**Depreciable Fixed Assets**

	Assets in which Fixed Interest is Claimed		Other Assets				
	Concessionaire Improvements	Government Improvements	Other Improvements	Transportation Equipment	Furniture, Fixtures, & Equipment	Other	Total
	A	B	C	D	E	F	G
<b>Cost</b>							
1. Prior Year Balance							
*2. Additions this Year							
*3. Disposals this Year							
4. Ending Balance (Carry Column G to Schedule B, Line 10)							
<b>Accumulated Depreciation</b>							
5. Prior Year Balance							
6. Depreciation this Year							
*7. Accumulated Depreciation on Assets Disposed this Year							
8. Ending Balance (Carry Column G to Schedule B, Line 11)							
9. Net Depreciable Fixed Assets, End of Year (Carry Column G to Schedule B, Line 12)							

\* If any entries are made on Lines 2, 3, or 7, complete Schedule L.

## SCHEDULE D – STATEMENT OF CASH FLOWS

- Line 1. Enter the amount of cash received from customers.
- Line 2. Enter the amount of cash paid for merchandise.
- Line 3. Enter the amount of cash paid for wages and other operating expenses.
- Line 4. Enter the amount of cash paid for interest.
- Line 5. Enter the amount of cash paid for taxes.
- Line 6. Enter the amount of cash paid to the Bureau of Reclamation.
- Line 7. Add Lines 1 through 6.
- Line 8. Enter the amount paid to acquire fixed assets.
- Line 9. Enter the amount of money received from the sale of assets.
- Line 10. Enter the amount of money received from the sale of land.
- Line 11. Enter the description and amounts for other investing activities not shown elsewhere.
- Line 12. Add Lines 8 through 11.
- Line 13. Enter the amount of the increase or decrease in intercompany receivables.
- Line 14. Enter the amount of cash received from the issuance of stock.
- Line 15. Enter the amount of cash paid to retire outstanding bonds.
- Line 16. Enter the amount of the dividends paid to the shareholders.
- Line 17. Enter the description and amounts for other financing activities not shown elsewhere.
- Line 18. Add Lines 13 through 17.
- Line 19. Add Lines 7, 12, and 18.
- Line 20. Enter the amount shown on Schedule B, 2nd Column, Line 1
- Line 21. Add Lines 19 and 20. The sum should equal the amount shown on Schedule B, 1st Column, Line 1
- Line 22. Enter the amount shown on Schedule A, Line 32.
- Line 23. Enter the amount shown on Schedule C, Column G, Line 6.
- Line 24. Enter the amount shown on Schedule A, Line 18.
- Line 25. Enter the amount of provision for losses on accounts receivable.
- Line 26. Enter the amount shown on Schedule A, Line 24.
- Line 27. Enter the amount of the increase or decrease in the inventory.
- Line 28. Enter the amount of the increase or decrease in the accounts receivable.
- Line 29. Enter the amount of the increase or decrease in the other assets.
- Line 30. Enter the amount of the increase or decrease in the prepaid expenses.
- Line 31. Enter the amount of the increase or decrease in the accounts payable.
- Line 32. Enter the amount of the increase or decrease in the franchise fee payable.
- Line 33. Enter the amount of the increase or decrease in the accrued liabilities.
- Line 34. Enter the amount of the increase or decrease in the advance deposits.
- Line 35. Enter the amount of the increase or decrease in the other liabilities.
- Line 36. Enter the amount of the increase or decrease in the division equity.
- Line 37. Sum lines 23 through 36 and add or subtract the difference from Line 22.



Concessionaire

Year Ending:

Statement of Cash Flows – Direct Method

Cash Flows From Operating Activities

- 1. Cash received from customers.....
- 2. Cash paid for merchandise.....
- 3. Cash paid for wages and other operating expenses.....
- 4. Cash paid for interest .....
- 5. Cash paid for taxes.....
- 6. Cash paid to Bureau of Reclamation.....
- 7. Net Cash Flows Provided (Used) by Operating Activities.....

Cash Flow From Investing Activities

- 8. Purchase of fixed assets .....
- 9. Purchase from sale of equipment.....
- 10. Purchase from sale of land.....
- 11. Other .....
- 12. Net Cash Flow Provided (Used) by Investing Activities.....

Cash Flow From Financing Activities

- 13. Net increase or decrease in intercompany receivable account .....
- 14. Cash received from issuing stock.....
- 15. Cash paid to retire bonds .....
- 16. Cash paid for dividends .....
- 17. Other .....
- 18. Net Cash Flows Provided (Used) by Financing Activities.....
- 19. **NET INCREASE (DECREASE) IN CASH**.....
- 20. CASH AT THE BEGINNING OF YEAR (Schedule B, 2nd. Column, Line 1) .....
- 21. CASH AT END OF YEAR (Schedule B, 1st Column, Line 1) .....

Reconciliation of Net Income to Net Cash Provided by Operations

- 22. Net Income (Schedule A, Line 32) .....
- Adjustments to reconcile net income to net cash provided by operating activities
- 23. Depreciation expense (Schedule C, Column G, Line 6) .....
- 24. Amortization expense (Schedule A, Line 18) .....
- 25. Provision for losses on accounts receivable.....
- 26. Gain or loss on sale of fixed assets (Schedule A, Line 24).....
- 27. (Increase) Decrease in inventories.....
- 28. (Increase) Decrease in accounts receivable.....
- 29. (Increase) Decrease in other assets.....
- 30. (Increase) Decrease in prepaid expenses.....
- 31. (Increase) Decrease in accounts payable .....
- 32. (Increase) Decrease in franchise fee payable .....
- 33. (Increase) Decrease in accrued liabilities .....
- 34. (Increase) Decrease in advance deposits .....
- 35. (Increase) Decrease in other liabilities.....
- 36. (Increase) Decrease in division equity.....
- 37. Net Cash Provided by Operating Activities.....

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## **SCHEDULE E – NOTES TO THE FINANCIAL STATEMENTS**

There should be included in the notes a description of all significant accounting policies followed by the reporting entity. Commonly required disclosures include, but are not limited to, policies relating to:

- A. Accounting Method
- B. Depreciation Method
- C. Amortization of Intangibles
- D. Inventory Pricing
- E. Pension, Profit Sharing, and Stock Option Plans
- F. Computation of Net Income per Share
- G. Amortization of the Cost in Excess of Net Assets of Business Acquired
- H. Accounting for Income Taxes

The following are typical items and those items specific to concessions operating on the Federal estate with respect to which all significant facts should be disclosed and characterized through such notes:

- A. Long-Term Debt Agreements (including interest rate and payment term)
- B. Leases
- C. Contingent Liabilities
- D. Pending Lawsuits
- E. Pension and Profit Sharing Plans
- F. Income Taxes
- G. Changes in Accounting Methods
- H. Long-Term Contracts
- I. Extraordinary Items of Income or Expenses
- J. Related Party Transactions, including loan agreements and inter-company charges (such as management fees and corporate overhead expenses)
- K. Consulting agreements and contract services
- L. Concessionaire assets used to provide the services authorized in the concession contract that are also used by the concessionaire for activities not related to the concession
- M. Allocation to the concession of receipts, expenses, and net income generated by the assets identified under the previous item (item L.)

Concessionaire

Year Ending:

---

Notes to the Financial Statements

---



## **SCHEDULE F – DETAILS OF GROSS RECEIPTS**

Enter on the appropriate lines the gross receipts from each of the services listed. Enter subtotal by department, as indicated. Amounts entered in the “This Year Departmental Total” column must be forwarded to Schedule G. Total gross receipt amounts reported on Schedules A, F, and G must be the same.

Concessionaire

Year Ending:

Details of Gross Receipts

	Amount	This Year Departmental Total 20__	Last Year Departmental Total 20__	Reference to Column on Schedule G
<b>LODGING</b>				
1. Hotel and Motel .....	_____			
2. Cabins and Cottages .....	_____			
3. Tent Cabins .....	_____			
4. Backcountry .....	_____			
<b>EMPLOYEE MEALS and LODGING</b>				
5. Employee Lodging .....	_____			
6. Employee Food .....	_____			
<b>FOOD</b>				
7. Restaurant (Full Service) .....	_____			
8. Cafeteria .....	_____			
9. Snack Bar and Fast Food .....	_____			
10. Alcoholic Beverage Bar .....	_____			
<b>SOUVENIRS</b>				
11. Gifts, Curios .....	_____			
12. Genuine Authorized Native Handcraft .....	_____			
<b>GENERAL MERCHANDISE</b>				
13. Grocery .....	_____			
14. Package Liquor .....	_____			
15. Photographic .....	_____			
16. Other (Identity)* .....	_____			
<b>CAMPGROUNDS</b>				
17. Tents .....	_____			
18. RV Camping (without hook-ups) .....	_____			
19. RV Camping (with hook-ups) .....	_____			
20. RV Park (All other RV revenues excluding camping) .....	_____			
<b>AUTO SERVICE</b>				
21. Fuel and Oil .....	_____			
22. Parts, Service and Other .....	_____			
<b>MARINA</b>				
23. Slips and Mooring .....	_____			
24. Houseboat Rental .....	_____			
25. Boat and Motor Rental .....	_____			
26. Fuel and Oil .....	_____			
27. Boat and Motor Sales .....	_____			
28. Boat Repair .....	_____			
29. Dry Storage .....	_____			
30. Other (Identity)* .....	_____			
<b>TRANSPORTATION</b>				
31. Boat .....	_____			
32. Cruise Ship .....	_____			
33. Vehicle .....	_____			
34. Other (Identity)* .....	_____			
35. Saddle Horse and Livery .....	_____			
36. Float Trip and River runners .....	_____			
<b>OTHER</b>				
37. Skiing Fees (Cross Country Fees and Lift Tickets) .....	_____			
38. Vending Machine .....	_____			
39. Bathhouse .....	_____			
40. Canoe and Tube Rental .....	_____			
41. Rentals (Auto, Equipment, Other) .....	_____			
42. Hunting Guides .....	_____			
43. Guide and Instructional Service .....	_____			
44. Health Service .....	_____			
45. Golf Sales .....	_____			
46. Catalog Sales .....	_____			
47. Other (Identity)* .....	_____			
48. Other (Identity)* .....	_____			
49. Other (Identity)* .....	_____			
50. <b>TOTAL GROSS RECEIPTS (Schedule G, Column A, Line 2)</b> .....	_____	_____	_____	_____

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

# SCHEDULE G – DEPARTMENTAL INCOME AND EXPENSES

## GENERAL

The schedule of departmental income provides for the identification and presentation of financial data in a form that isolates and defines the operations of each revenue and cost center and provides a basis for internal and external comparisons.

Concessionaires providing services at several locations within an area may consolidate the results of the operations by department.

This schedule provides columns for a breakdown of departmental income. The departmental breakdown required is identified on Schedule F.

If additional columns are needed, use Schedule G-1 (continuation sheet). Please number the continuation sheets and continue to identify departmental columns in alphabetical order (e.g., E, F, G, etc.).

Column A must reflect the total of all entries on all other columns, including those on the continuation sheets.

- Line 1. Enter the name of the department as identified on Schedule F.
- Line 2. Enter, by department, the total gross receipts or revenue accruing to the concession from all sales. The amount entered should be exclusive of sales, excise, or other taxes collected for any taxing authority. If any taxes are included, please indicate.
- Line 3. Self-Explanatory.
- Line 4. Subtract Line 3 from 2 and enter the amount, by department.
- Line 5. Enter, by department, the beginning inventory. The amount entered must agree with amounts on Line 7, ending inventory of the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter, by department, the cost of all purchases at gross invoice price less discounts plus transportation, storage, and delivery charges.
- Line 7. Enter, by department, the amount of the ending inventory.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount, by department.
- Line 9. Subtract Line 8 from Line 4 and enter the difference, by department.
- Line 10. Enter, by department, the amount of direct salary and wage expense applicable to each category.
- Line 11. Enter, by department, the allocated portion of payroll taxes, health and life insurance, pension expenses, and other related expenses.
- Line 12. Enter, by department, the sum of Lines 10 and 11.
- Line 13. Enter, by department, the remuneration paid to authorized agents for business secured, including travel agents' commissions.
- Line 14. Enter, by department, the cost of direct operating supplies.
- Line 15. Enter, by department, the cost of all Federal, State, and local licenses, permits, and fees.
- Line 16. Enter, by department, the cost of reservation and booking activities.
- Line 17. Enter, by department, the cost of laundry and uniforms.
- Line 18. Enter, by department, the cost of china, silver, and glass.
- Line 19. Enter, by department, the cost of equipment rental.
- Line 20. Enter, by department, the cost of contract services.
- Line 21. Enter, by department, the cost of transportation expense (including fuel and oil which includes both vehicles and boats).
- Line 22. Enter, by department, the cost of spoilage.
- Line 23. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 24. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 25. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 26. Add Lines 13 through 25 and enter the amount, by department.
- Line 27. Add Lines 12 and 26 and enter the amount, by department.
- Line 28. Subtract Line 27 from Line 9 enter the amount, by department.

Concessionaire

Year Ending:

Departmental Income and Expenses

	A	B	C	D	E
1. Department.....	Total All Columns				
2. GROSS RECEIPTS (Schedule A, Line 1) .....					
3. RETURNS AND ALLOWANCE (Schedule A, Line 2) .....					
4. NET SALES (Schedule A, Line 3) .....					
<b>Cost of Sales</b>					
5. Inventory, Beginning.....					
6. Plus Purchases .....					
7. Less Ending Inventory .....					
8. TOTAL COST OF SALES (Schedule A, Line 4) .....					
9. GROSS PROFIT (Schedule A, Line 5) .....					
<b>Direct Expenses</b>					
<b>Direct Labor</b>					
10. Salaries and Wages .....					
11. Payroll Taxes and Benefits.....					
12. TOTAL DIRECT LABOR .....					
<b>Other Direct</b>					
13. Commissions.....					
14. Operating Supplies.....					
15. Licenses and Fees .....					
16. Reservation Expense .....					
17. Laundry and Uniforms .....					
18. China, Silver, and Glass.....					
19. Equipment Rental.....					
20. Contract Services .....					
21. Transportation Expense .....					
22. Spoilage .....					
23. Other (Identify)* _____ .....					
24. Other (Identify)* _____ .....					
25. Other (Identify)* _____ .....					
26. TOTAL OTHER DIRECT .....					
27. TOTAL DIRECT (Schedule A, Line 6) .....					
28. Department Income (Loss) (Schedule A, Line 7) .....					

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## **SCHEDULE G1 – DEPARTMENTAL INCOME AND EXPENSES (CONTINUATION SHEET)**

- Line 1. Enter the name of the department as identified on Schedule F.
- Line 2. Enter, by department, the total gross receipts or accruing to the concession from all sales. The amount entered should be exclusive of sales, excise, or other taxes collected for any taxing authority. If any taxes are included, please indicate.
- Line 3. Self-Explanatory.
- Line 4. Subtract Line 3 from 2 and enter the amount by department.
- Line 5. Enter, by department, the beginning inventory. The amount entered must agree with amounts on Line 7, ending inventory of the previous year's report. If the amounts do not agree, attach an explanation.
- Line 6. Enter, by department, the cost of all purchases at gross invoice price less discounts plus transportation, storage, and delivery charges.
- Line 7. Enter, by department, the amount of the ending inventory.
- Line 8. Subtract Line 7 from the sum of Lines 5 and 6 and enter the amount by department.
- Line 9. Subtract Line 8 from Line 4 and enter the difference by department.
- Line 10. Enter, by department, the amount of direct salary and wage expense applicable to each category.
- Line 11. Enter, by department, the allocated portion of payroll taxes, health and life insurance, pension expenses, and other related expenses.
- Line 12. Enter, by department, the sum of Lines 10 and 11.
- Line 13. Enter, by department, the remuneration paid to authorized agents for business secured, including travel agents' commissions.
- Line 14. Enter, by department, the cost of direct operating supplies.
- Line 15. Enter, by department, the cost of all Federal, State, and local licenses, permits, and fees.
- Line 16. Enter, by department, the cost of reservation/booking activities.
- Line 17. Enter, by department, the cost of laundry and uniforms.
- Line 18. Enter, by department, the cost of china, silver and glass.
- Line 19. Enter, by department, the cost of equipment rental.
- Line 20. Enter, by department, the cost of contract services.
- Line 21. Enter, by department, the cost of transportation expense (including fuel and oil which includes both vehicles and boats).
- Line 22. Enter, by department, the cost of spoilage.
- Line 23. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 24. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 25. Enter, by department, the description and cost incurred for direct expenses not shown elsewhere.
- Line 26. Add Lines 13 through 25 and enter the amount, by department.
- Line 27. Add Lines 12 and 26 and enter the amount, by department.
- Line 28. Subtract Line 27 from Line 9 enter the amount, by department.



Concessionaire

Year Ending:

Departmental Income and Expenses (continuation sheet)

	F	G	H	I	J
1. Department.....					
2. GROSS RECEIPTS (Schedule A, Line 1) .....					
3. RETURNS AND ALLOWANCE (Schedule A, Line 2) .....					
4. NET SALES (Schedule A, Line 3) .....					
<b>Cost of Sales</b>					
5. Inventory, Beginning.....					
6. Plus Purchases .....					
7. Less Ending Inventory .....					
8. TOTAL COST OF SALES (Schedule A, Line 4) .....					
9. GROSS PROFIT (Schedule A, Line 5) .....					
<b>Direct Expenses</b>					
<b>Direct Labor</b>					
10. Salaries and Wages .....					
11. Payroll Taxes and Benefits.....					
12. TOTAL DIRECT LABOR .....					
<b>Other Direct</b>					
13. Commissions.....					
14. Operating Supplies.....					
15. Licenses and Fees .....					
16. Reservation Expense .....					
17. Laundry and Uniforms .....					
18. China, Silver, and Glass.....					
19. Equipment Rental.....					
20. Contract Services .....					
21. Transportation Expense .....					
22. Spoilage .....					
23. Other (Identify)* _____ .....					
24. Other (Identify)* _____ .....					
25. Other (Identify)* _____ .....					
26. TOTAL OTHER DIRECT .....					
27. TOTAL DIRECT (Schedule A, Line 6) .....					
28. Department Income (Loss) (Schedule A, Line 7) .....					

\* All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE H – INDIRECT OPERATING EXPENSES

### UNDISTRIBUTED DEPARTMENTAL EXPENSES

- Line 1. Enter wages and benefits paid to employees conducting repair and maintenance for the concession. These salary and benefit expenses should not include amounts shown in Schedule G, Lines 10 and 11.
- Line 2. Enter total expenditures of material purchases for concession-related repair and maintenance activities.
- Line 3. Enter total expenditures for third-party contract services for concession-related repair and maintenance activities (e.g., window repair, plumbing, electrical).
- Line 4. Enter total expenditures for third-party contract services for non-repair and maintenance related activities (e.g., garbage removal, window washing, security services).
- Line 5. Enter the cost of utilities, such as coal, oil, gas, and other fuels; electricity; water; and sewage.
- Line 6. Enter the cost of security expenses not acquired through a third-party contract service.
- Line 7. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 8. Enter description and amount for other undistributed departmental expenses that exceed \$10,000 annually.
- Line 9. Enter the sum of all other undistributed departmental expenses that are less than \$10,000.
- Line 10. Add lines 1 through 9 and enter the amount.

### GENERAL AND ADMINISTRATIVE EXPENSES

- Line 11. Enter the amount from Schedule J, Line 21, plus the related payroll taxes.
- Line 12. Enter the amount incurred for administrative and general salaries, other than officers' salaries, and amounts shown on Schedule G, Departmental Income and Expenses, and include related payroll taxes.
- Line 13. Enter the cost of all phases of employee administration, including drug testing.
- Line 14. Enter the cost of all credit card charge and bank charge expense.
- Line 15. Enter the cost of telephones and other communications-related expenditures.
- Line 16. Self-Explanatory.
- Line 17. Self-Explanatory.
- Line 18. Self-Explanatory.
- Line 19. Enter the fees charged by a management organization for management services.
- Line 20. Enter the amount charged to the concessionaire by a parent company for services rendered.
- Line 21. Self-Explanatory.
- Line 22. Self-Explanatory.
- Line 23. Self-Explanatory – specific consulting relationships should be described in Schedule E.
- Line 24. Self-Explanatory.
- Line 25. Self-Explanatory.
- Line 26. Self-Explanatory.
- Line 27. Self-Explanatory.
- Line 28. Self-Explanatory.
- Line 29. Enter description and amount for the cost incurred for general and administrative costs not shown elsewhere.
- Line 30. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 31. Enter the description and amount for cost incurred for general and administrative costs not shown elsewhere.
- Line 32. Add Lines 11 through 31 and enter the amount.

Concessionaire

Year Ending:

Indirect Operating Expenses



Undistributed Departmental Expenses

- 1. Concession Facility Repair and Maintenance Labor Expense
2. Concession Facility Repair and Maintenance Material Expense
3. Concession Facility Repair and Maintenance Contract Service Expense
4. Non-facility Repair and Maintenance Contract Services Expense
5. Utilities Expense
6. Security Expense
7. Other (Identify)\*
8. Other (Identify)\*
9. Miscellaneous Undistributed Departmental Expenses
10. Total Undistributed Departmental Expenses (Schedule A, Line 8)

General and Administrative Expenses

- 11. Owner's, Officer's, and Partner's Salaries; Payroll Taxes; and Benefits (Schedule J, Line 21)
Other Salaries, Payroll Taxes, and Benefits:
Office/Manager's Office
Accounting/Finance
Human Resources/Personnel
Information System/Data Processing
Marketing/Promotion
Other (Identify)
12. Total Other Salaries, Payroll Taxes, and Benefits
13. Employee Recruitment, Personnel, and Training
14. Credit Card Charges and Bank Charges
15. Telecommunications
16. Advertising and Promotional Expense
17. Contributions
18. Complimentary
19. Management Fees
20. Corporate Overhead
21. Legal and Professional Fees
22. Accounting and Audit Fees
23. Consulting Agreements
24. Bad Debts
25. Office Expense
26. Postage and Freight
27. Travel Expenses
28. Dues and Subscriptions
29. Other (Identify)\*
30. Other (Identify)\*
31. Other (Identify)\*
32. Total General and Administrative Expenses (Schedule A, Line 9)

\*All "Other" items over \$10,000 should be identified on Schedule K (Supporting Schedule).

## SCHEDULE I – COMPUTATION OF GOVERNMENT FEES

- Line 1. Enter the amount of the flat fee specified in the contract or permit.
- Line 2. Enter the amount from Schedule A, Line 1.
- Line 3-5. Enter the name and amount of gross receipts from all subconcessionaires that provided services authorized in the contract or permit.
- Line 6. Add lines 3 through 5 and enter the amount.
- Line 7. Enter the amounts applicable to authentic United States Indian, Alaskan Native, Native Samoan and Native Hawaiian Handcraft.
- Line 8. Enter only the amount applicable to the categories provided.
- Line 9. Enter only the amount applicable to the categories provided.
- Line 10. Enter only the amount applicable to the categories provided.
- Line 11. Enter only the amount applicable to the categories provided.
- Line 12. Enter only the amount applicable to the categories provided.
- Line 13. Enter only the amount applicable to the categories provided.
- Line 14. Enter only the amount applicable to the categories provided.
- Line 15. Enter only the amount applicable to the categories provided.
- Line 16. Enter only the amount applicable to the categories provided.
- Line 17. Enter only the amount applicable to the categories provided.
- Line 18. Enter only the amount applicable to the categories provided.
- Line 19. Enter the description and amount for other authorized deductions not shown elsewhere.
- Line 20. Add lines 7 through 19 and enter the amount.
- Line 21. Subtract Line 20 from the sum of Lines 2 and 6 and enter the amount.
- Line 22-24. Enter the percentage rate(s) as stated in the contract or permit. Calculate and enter the appropriate amount.
- Line 25. Add Lines 22 through 24 and enter the amount.
- Line 26-28. Enter the subconcessionaire's names and amount of commission, fees, or compensation received from the subconcessionaires shown on Lines 3 through 5.
- Line 29. Add Lines 26 through 28 and enter the amount.
- Line 30. Enter one half (50%) of the amount shown on Line 29.
- Line 31. Add Lines 1, 25, and 30 and enter the amount. This amount should equal the amount shown on Schedule A, Line 10.



**SCHEDULE J – INFORMATION ON CORPORATE OWNERS,  
OFFICERS, AND PARTNERS**

Self-Explanatory.

Concessionaire

Year Ending:

Information on Corporate Owners, Officers, and Partners



	A	B	C	D			E	F	G
	Name	Title	% of Time Devoted to Business	Partnership Interest	Common Stock	Preferred Stock	Total Wages	Total Benefits	Total Amount of Compensation
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.	Total (Schedule H, Line 11)								

\* List all officers and all owners and partners owning a 10 percent or more direct or indirect interest. If the concessionaire has more officers, owners, and partners than the spaces above provide for, please complete an additional schedule. Sole proprietors should not complete this form.

## **SCHEDULE K – SUPPORTING SCHEDULE**

This schedule should include a comprehensive listing of all the expenses that are grouped together under one heading within the label of “Other” that exceed a combined line total of \$10,000. This includes:

- Schedule A – Lines 19, 20, and 26
- Schedule D – Lines 11 and 17
- Schedule F – Lines 16, 30, 34, and 47-49
- Schedule G – Lines 23-25
- Schedule G1 – Lines 23-25
- Schedule H – Lines 7-8 and 29-31



**Concessionaire**

**Year Ending:**

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**Supporting Schedule**

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## **SCHEDULE L – ADDITIONS TO AND DISPOSALS OF FIXED ASSETS**

For each asset acquired or disposed of during the current year, other than those in which the concessionaire is claiming CIR, enter the information required in each column by category. Additions and disposals must be totaled by category. The categories are the same as those enumerated on Schedule C and are defined in the instructions to Schedule C. For each fixed asset (item) in which the concessionaire can claim a CIR, it is necessary to enter the information set forth in Schedule M.



## **SCHEDULE M – CAPITAL INVESTMENT RECOVERY ASSETS**

For each fixed asset (item) in which the concessionaire can claim a CIR, it is necessary to enter the information set forth in this schedule. The purpose of this schedule is to accurately track the value of CIR assets.

Concessionaire

Year Ending:

**Capital Investment Recovery Assets**

	Item Description	Year of Item Completion	Original Cost Basis Reported on Federal Tax Return for Item in Year of Completion	IRS Straight Line Useful Life in Year of Item Completion	Origin*
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
14.					
15.					
16.					
17.					
18.					
19.					
20.					

\*Respond "A" if subject fixed asset was implemented by another concessionaire. Respond "B" if subject asset was implemented by current concessionaire.

## SCHEDULE N – RESERVE ACCOUNT ANNUAL RECONCILIATION

- Line 1. Enter the amount from Schedule A, Line 1.
- Line 2. Enter amounts authorized in the contract or permit. In most circumstances, this will be the amount shown on Schedule I, Line 21.
- Line 3. Subtract Line 2 from Line 1 and enter the amount.
- Line 4. Show the percentage amount stated in the contract or contract amendment.
- Line 5. Multiply Line 3 by 4 and enter the amount.
- Line 6. Specify other calculations used in determining reserve account fees.
- Line 7. Add Line 5 and Line 7 and enter the amount.
- Line 8. Insert the ending balance from Schedule N, Line 13, from the preceding year.
- Line 9. Show the actual deposits made in the current accounting year.
- Line 10. Show the actual expenditures made in the current accounting year.
- Line 11. Show the interest income reported for this account in the current accounting year.
- Line 12. Show the bank charges reported for this account in the current accounting year.
- Line 13. Add Lines 8, 9, and 11, subtract Lines 10 and 12, and enter the amount.
- Line 14. If Line 13 has a positive balance and these funds are already obligated to another project, list the projects along with the amount of money obligated to each project.
- Line 15. Show the amount of money that is not obligated for projects.
- Line 16. Add Lines 14 and 15 and enter the amount.
- Line 17. List the deposits made in the current accounting year that were accruals due in the past calendar or fiscal year.
- Line 18. List deposits made in the current accounting year that are for payments of current year special account liabilities.
- Line 19. Add Lines 17 and 18 and enter the amount.
- Line 20. List the accrued liability the concessionaire has on the current year deposits.
- Line 21. Add Lines 18 and 20 and enter the amount.

Concessionaire

Year Ending:

**Reserve Account Annual Reconciliation**



- 1. Gross Receipts (Schedule A, Line 1) .....
- 2. Less-Adjustments to Gross Receipts.....
- 3. Gross Receipts Subject to Reserve Account Calculation .....
- 4. Reserve Account Percentage Rate ..... %
- 5. Amount Due Reserve Account .....
- Other Method (Specify Calculation)
- 6. \_\_\_\_\_
- 7. Accrued Amount Due to Reserve Account for Current Year.....

**Reserve Account Combined Cash Reconciliation**

- 8. Balance in Reserve Account from Prior Year .....
- 9. Plus: Current Year Deposits .....
- 10. Less: Current Year Expenditures (Must also complete Schedule O).....
- 11. Plus: Current Year Interest .....
- 12. Less: Current Year Bank Charges.....
- 13. Balance in Reserve Account at Year End (Should equal Schedule B, Line16) .....

*Allocation of Line 13*

- 14. Encumbered Balances (List Projects and Amounts)
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- \_\_\_\_\_ .....
- 15. Unencumbered Balance .....
- 16. TOTAL - Add lines 14 and 15 (Should equal Line 13 above) .....

**Deposit Reconciliation**

- 17. Reserve Account Deposits for Prior Year Liabilities .....
- 18. Deposits for Current Year Liabilities .....
- 19. TOTAL - Add Line 17 and Line 18 (Should equal Line 9 above) .....
- 20. Accrued Liability Not Yet Deposited for Current Year.....
- 21. TOTAL - Add Line 18 and Line 20 (Should equal Line 7 above) .....

## SCHEDULE O – RESERVE ACCOUNT EXPENDITURES

- Line 1. Column 1. List the project number of each reserve account project.
- Column 2. List expenditures from reserve account by locations or site in date order.
- Column 3. List amount spent on each specific project.
- Column 4. Show the percentage amount of completion for the overall project.

**Note:** The listing of expenditures is to be specific for each individual item. Expenditures are not to be lumped together. Terms that will not be acceptable will include Building Improvements and Leasehold Improvements.





## **SCHEDULE P – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS**

### **LODGING**

- Line 1. Show the number of hotel, motel, cabin, or other lodging units available at month's end. (Exclude all tent and RV site rentals.)
- Line 2. Show the total number of room-nights available (e.g., if 10 rooms were available throughout September, 300 room-nights were available for that month).
- Line 3. Show the total number of room-nights sold.
- Line 4. Show the gross receipts for hotel, motel, cabin, or other lodging units provided by the concession exclude all receipts from tent and RV site rentals. The entries in this row should equal the sum of Lines 1 and 2 of Schedule F.
- Line 5. Show the number of bills processed for hotel, motel, cabin, or other lodging units excluding all tent and RV site rentals.
- Line 6. Self-explanatory.
- Line 7. Show the number of employees operating the hotel, motel, cabin, or other lodging units available at month's end that were paid on an hourly basis.

### **FOOD AND BEVERAGE (FULL-SERVICE RESTAURANTS)**

- Line 8. Show the total number of seats available in the concession's full-service restaurants (full-service restaurants include those establishments where guests order food while seated and subsequently the food is brought to their table by a server).
- Line 9. Show the number of guests/covers who were served in those restaurants.
- Line 10. Show the number of checks/tickets processed in those restaurants.
- Line 11. Self-explanatory.
- Line 12. Show the size (in square feet) of the concession's full-service restaurants, including kitchen, storage, and other back-of-house areas.
- Line 13. Show the number of employees working in the concession's full-service restaurants at month's end who are paid on an hourly basis.

### **GIFTS AND MERCHANDISE**

- Line 14. Show the total number of sales transacted by the concession's gift and merchandise retail operations.
- Line 15. Self-explanatory.
- Line 16. Show the size (in square feet) of the concession's retail operations, including back-of-house areas.
- Line 17. Show the number of employees working in the concession's gift and merchandise operations at month's end who are paid on an hourly basis.

### **MARINAS**

- Line 18. Show the total number of uncovered slips available for lease within the marina at month's end.
- Line 19. Show the number of uncovered slips leased at month's end.
- Line 20. Specify how many times uncovered slip leases changed owners during the month (turnover).
- Line 21. Self-explanatory.

Concessionaire

Year Ending: ██████████

**Operational and Miscellaneous Financial Statistics**

	Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Lodging</b>												
1. Number of Rooms Available .....												
2. Total Number of Nights Available.....												
3. Total Number of Nights Sold.....												
4. Gross Receipts .....												
5. Room Turnover .....												
6. Total Number of Guests.....												
7. Number of Hourly Employees .....												
<b>Food and Beverage (Full Service Restaurants)</b>												
8. Number of Seats Available .....												
9. Number of Guest Served .....												
10. Number of Checks/Tickets .....												
11. Gross Receipts .....												
12. Total Square Feet .....												
13. Number of Hourly Employees .....												
<b>Gift and Merchandise</b>												
14. Total Number of Sales .....												
15. Gross Receipts .....												
16. Total Square Feet .....												
17. Number of Hourly Employees .....												
<b>Marinas</b>												
18. Number of Uncovered Slips Available for Lease.....												
19. Number of Uncovered Slips Leased .....												
20. Uncovered Slip Turnover .....												
21. Gross Receipts (Uncovered Slips) .....												

## **SCHEDULE P1 – OPERATIONAL AND MISCELLANEOUS FINANCIAL STATISTICS (CONTINUATION SHEET)**

- Line 22. Show the total number of covered slips available for lease within the marina at month's end.
- Line 23. Specify how many times covered slip leases changed owners during the month.
- Line 24. Self-explanatory.
- Line 25. Show the total number of dry storage units the concession made available for lease at month's end.
- Line 26. Show the number of dry storage units leased at month's end.
- Line 27. Specify how many times dry storage units changed owners during the month (turnover).
- Line 28. Self-explanatory.
- Line 29. Show the total number of mooring buoys available for lease at month's end.
- Line 30. Show the number of mooring buoys leased at month's end.
- Line 31. Specify how many times mooring buoy leases changed owners during the month (turnover).
- Line 32. Self-explanatory.
- Line 33. Show the total number of houseboats available for rent.
- Line 34. Show the number of days of houseboat rental available for rent (e.g., if 10 houseboats were available throughout September, 300 days of houseboat rental were available for that month).
- Line 35. Show the total number of days during the month the houseboats were used or occupied by paying customers.
- Line 36. Self-explanatory.
- Line 37. Show the number of times houseboats were rented, regardless of the duration of those rentals.
- Line 38. Sum up the number of houseboat users in each rental party.
- Line 39. Show the number of employees operating the marina, including any vessel rental operations, at month's end who are paid on an hourly basis.

### **MISCELLANEOUS FINANCIAL DATA**

- Line 40. Show the total amount of deposits paid by visitors to secure lodging, houseboat, and other rentals in advance of their visit.
- Line 41. Provide an estimate of the value of all concession-related merchandise, food and beverage, and other inventory at month's end. Stipulate the inventory accounting method used for these estimates (e.g., LIFO or FIFO).
- Line 42. Show the total payroll for direct labor during the month. This line-item corresponds to Schedule G, Line 10. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 10.
- Line 43. Show the concession's gross receipts during the month from all sources. This line-item corresponds to Schedule G, Line 2. Accordingly, the sum of all entries on this line should equal what is entered in Schedule G, Column A, Line 2.
- Line 44. If not a year-round operation, enter under the appropriate months the concession's opening and closing dates. For the opening date, enter "O," followed by the day of the month. For the closing date, enter "C," followed by the day of the month. If elements of the concession operation opened or closed at different times, enter the dates when the entire operation was opened and closed.

Concessionaire

Year Ending:

Operational and Miscellaneous Financial Statistics (Continuation Sheet)



	Months											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Marinas - continued</b>												
22. Number of Covered Slips for Lease.....												
23. Number of Covered Slips Leased.....												
24. Gross Receipts (Covered Slips) .....												
25. Number of Dry Storage Units Available for Lease .....												
26. Number of Dry Storage Units Leased.....												
27. Unit Turnover.....												
28. Gross Receipts (Dry Storage Units) .....												
29. Number of Mooring Buoys Available for Lease .....												
30. Number of Mooring Buoys Leased .....												
31. Mooring Buoys Turnover .....												
32. Gross Receipts (Mooring Buoys) .....												
33. Number of Houseboats Available for Rent .....												
34. Number of Days Houseboat Rental Available .....												
35. Number of Days Houseboats Used/Occupied .....												
36. Gross Receipts (Houseboat Rental) .....												
37. Number of Times Houseboats Rented .....												
38. Total Number of Houseboat Users .....												
39. Total Number of Marina Employees .....												
<b>Miscellaneous Financial Data</b>												
40. Advanced Deposits.....												
41. Inventory (Accounting Method) .....												
42. Direct Labor Expense .....												
43. Total Concessions Gross Receipts.....												
44. Open and Closing Dates .....												

## CONCESSIONAIRE ANNUAL FINANCIAL REPORT – DEFINITIONS

**Accounting** – The language of business that is used to measure, record, report, and interpret the financial aspects of a business.

**Accounts payable** – Money your company owes to business creditors for the purchase of outside services and goods.

**Accounts receivable** – Money owed to your company by other customers.

**Amortization** – The process of gradually paying off a liability over a specified number of years.

**Area manager** – A field level manager.

**Assets** – In accounting terms, something of monetary value which may be physical (building and inventory), object (stock certificate), or a right (patent).

**Balance sheet** – Statement showing the company’s financial position at any given point in time. This statement consists of the assets, liabilities, and owner’s equity.

**Capital** – Wealth in the form of money invested in the business by its owners.

**Cash** – Money the business has in its possession.

**Cash flow** – The inflow and outflow of money in a business in a specified time. Cash flows differ from profits because of non-cash expenditure and accrual basis accounting.

**Contingent liability** – A liability that is not shown on the company’s financial statements but should be explained in the accountant’s notes to the financial statements. This liability is probably because of a lawsuit and could become a contingent liability if the company was to lose the suit.

**Corporation** – An organization that has been chartered by the State in which the individual(s) or company is based.

**Current assets** – Cash and other assets that can be converted into cash in a short period of time (usually within 1 year). Current assets include cash, marketable securities, accounts receivable, inventory, and prepaid expenses.

**Current liabilities** – Money that is owed by a company that will be paid within a short period of time (usually within 1 year).

**Depreciation** – A systematic approach to reduce the value of a fixed asset to account for wear and tear, obsolescence, and the passage of time during the fixed asset’s lifetime.

**Direct expense** – Expenses that are directly related to the volume of gross sales.

**Dividend** – Payment made to stockholders by the company.

**Expenditure** – A payment a company makes when it purchases a fixed asset or some other item that does not affect the income statement at the time of purchase.

**Expenses** – Cost of doing business other than that associated with the cost of goods sold. These items will affect the income statement immediately upon purchase.

**Fiscal year** – An annual accounting period that does not end on December 31.

**Fixed assets** – Items that are not usually intended for sale; they are used in the production of other items for resale. Also, if this asset were sold, it would probably interfere with business operations. Examples are buildings, furniture and fixtures, land, and other long-term investments.

**Fixed costs** – Operating costs that remain relatively constant regardless of fluctuations in the gross sales.

**General and administrative (G&A) costs** – Expenses that are not designated to a specific business area.

**Goodwill** – The difference between the purchase price of a business and the price of the assets bought.

**Gross profit** – Gross sales minus the cost of goods sold.

**Income statement** – See statement of income.

**Intangible assets** – Items that are important to one's business that are not physical objects. Examples of these would be goodwill, patents, trademarks, and copyrights.

**Inventory** – Raw materials, partially finished products, and finished products that have not yet been sold.

**Liabilities** – Debts a company owes to others.

**Long-term liabilities** – Money that is owed by a company that will not be paid within 1 year.

**Net income** – Profit at the end of the year after paying all expenses. Also known as “the bottom line.”

**Partnership** – A business in which two or more individuals, partnerships, or corporations pool their resources and share the profit or loss of the joint venture.

**Prepaid expense** – Payment of expenses before the company has received the benefit.

**Retained earnings** – The total cumulative net profit that a business has earned over its lifetime that has not yet been distributed.

**Statement of income** – Summarizes the financial activity for a specified time period by looking at the gross revenue and the expenses generated by the company. This statement is also called the profit and loss (P&L) statement.

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# CHAPTER 10 – HANDCRAFTS, GIFTS, AND MERCHANDISE

## A. LAW

Public Law (P.L.) 96-95; October 31, 1979

### **Archaeological Resources Protection Act of 1979**

P.L. 96-95 prohibits the removal, sale, purchase, exchange, or transportation of any archaeological resource from Federal lands and other lands where State and local laws exist to protect such resources.

## B. GUIDELINES

### 1. Handcrafts, Gifts, and Merchandise

Promoting the sale of United States made handcrafts, including authentic Indian and Eskimo handcrafts relating to the cultural, historical, natural, and geographic characteristics of Bureau of Reclamation (Reclamation) projects is encouraged, and there shall be a continuing effort to enhance the scope and supply of local handcrafts where they exist and to establish them where they do not.

Concessionaires may offer for sale merchandise that is customarily sold in similar types of retail outlets.

Foreign-made merchandise is not to be encouraged, but is not prohibited.

Merchandise that offends normal standards of taste cultural mores or which violates conservation principles is not to be sold.

The sale of original prehistoric or historic archeological specimens is inconsistent with Reclamation's conservation ethic and is, therefore, prohibited. The sale of clearly labeled replicas of artifacts is authorized.

## C. PREFERRED MERCHANDISE

### 1. United States Handcrafts

For an item to be classified as a United States handcraft, the following criteria must be satisfied.

- a. It must be handcrafted by United States craftspeople residing and working within the 50 States, United States territories, United States possessions, or United States trust lands.

- b. It must be predominantly individually produced under conditions not resembling an assembly line or factory system. The term, “production crafts,” defines those handcrafted items that are produced in quantity but retain the individual attention of the artist using individual handcraft processes and are therefore considered handcraft.
- c. It must be produced by using such devices or mechanical implements that allow the manual skill of the maker or makers to condition the overall shape and design of each individual item (e.g., the potter’s wheel, weaving loom, wood lathe, and buffing machine).
- d. Jellies, jams, preserves, and other prepared foods, even if “homemade,” are not considered handcrafts. However, if the product is in a handcrafted container meeting the criteria stated above for United States handcrafts, it is considered a handcraft.
- e. In addition to the items commonly identified with handcrafts, hand-processed photographs, hand prints (block prints, silk screen prints, lithographs, and etchings), sculpture, and paintings are also considered handcrafted items.

## **2. Authentic United States Indian and Eskimo Handcrafts**

To be sold and labeled as authentic handcrafts made by United States Indians and Eskimos, the article must meet the criteria in subparagraph 1 above and also meet the following standards that comply with the Department of the Interior’s (Interior) Indian Arts and Crafts Board definition for such handcrafts.

- a. The item, including any components, must be made entirely by United States Indians and Eskimos residing within the United States. The use of findings<sup>1</sup>, hand tools, and equipment for buffing, polishing, grinding, drilling, or sewing is permitted.
- b. The item must be made only from natural materials, except that stabilized or treated turquoise is permissible.
- c. No portion of the item can be made by machine except mechanically pressed silver beads, which are permissible. When used, the item must be labeled “machine-made silver beads.”

Items purported to be Indian or Eskimo handcrafted, but are not because they do not meet all of the above criteria, are considered imitations of authentic United States Indian and Eskimo handcrafts. They may, however, be preferred items if they meet the criteria of the Reclamation area where the authentic handcrafts are being sold and, further, if they are

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<sup>1</sup> Small articles, such as buttons, thread, catches, swivels, clasps, or wire, used in various trades.

mentioned in number 3 below. The reason for this is to encourage the making and selling of authentic United States Indian and Eskimo handcrafts.

### **3. Area-Related Items**

Articles or items associated with or representative of the Reclamation area should be displayed “in addition to” United States handcrafts. Items that should be strongly encouraged may include, but should not be limited to, books, maps, mechanically printed photographs and prints (including scenes on calendars and china plates), jellies, jams, preserves, and floral arrangements. Other items of popular culture that are thematic to the local area are also desirable in preference to items with no local tie or significance (e.g., coffee cup with historical Hoover Dam logo or depiction instead of one that says Nevada).

### **4. Sources of Handcrafts**

Area managers and the concessionaires are encouraged to call upon the Indian Arts and Crafts Board, Department of the Interior concerning sources, availability, or authenticity of United States Indian and Eskimo handcrafts. In the case of handcrafts made by other than United States Indians and Eskimos, it is suggested that, whenever possible, area managers and concessionaires call upon local craft guilds as a resource.

## **D. ACCEPTABLE MERCHANDISE**

Items necessary for visitor use and enjoyment of the recreation areas including but not limited to groceries, camping supplies, automobile needs, personal items, clothing, film, gifts, and souvenirs of types the public would generally expect to find available in a similar retail outlet located in an area similar to the recreation area are acceptable merchandise.

The following list is representative, but not inclusive, of the merchandise that is acceptable:

1. Novelty items that identify the recreation area simply by inscribing the name on a decal or picture of the area or a popular feature in the area. The name may be inscribed on such items as pennants, sweatshirts, T-shirts, linens, paperweights, and stationery.
2. Commercially or machine-made Indian and Eskimo merchandise.
3. Replicas of artifacts.
4. Printed material including books, maps, posters, and tablemats.

5. Games, toys, and books that appeal to children.
6. Items made from material symbolic or representative of material found in the general area but not taken from Reclamation property. Such items will meet the following conditions:
  - a. Petrified wood, minerals, and stones must have at least one face or surface of the item polished to distinguish it from the natural state as might be found in the area.
  - b. Packaged seeds or seeds and flora used in making handcraft items must be labeled as to origin.
  - c. Animal skins fabricated into such items as leather gloves, skirts or jackets, mukluks, cowhide belts, and purses are acceptable, provided the concessionaire obtains a signed statement from the manufacturer stating that the animal skins were obtained from legally authorized sources; that the skins are not from threatened or endangered species as per 50 Code of Federal Regulations 17, subpart B; and the concessionaire individually tags all merchandise of this type stating that animal skins were obtained from legally authorized sources and are not from threatened or endangered species.
  - d. Other merchandise not restricted under E. Unacceptable Merchandise, below.
7. Outdated merchandise such as film and other items where spoilage is not a problem may be sold at a discount rate provided that it is properly labeled as being outdated and is displayed separately from merchandise that has not exceeded the manufacturer's "Do not sell after" date.

## **E. UNACCEPTABLE MERCHANDISE**

### **1. General**

While it is realized that no practicable objective standards can be devised for determining taste, intrinsic value, and other subjective criteria, it is incumbent upon Reclamation and its concessionaires to scrupulously avoid displaying or offering for sale any article that people of normal sensitivity might consider obscene, sexually oriented, suggestive, indecent, blasphemous, profane, vulgar, ridiculing established institutions and customs, or reflecting a lack of concern for the environment.

In addition, concessionaires cannot offer the following items for sale:

- a. Handcrafted items that incorporate archaeological specimens, cave formations, or artifacts or objects and materials that are protected by local, State, Federal, or Tribal laws, regardless of the origin of the material.
- b. Merchandise items that incorporate plant materials and other natural materials from Reclamation areas if it is illegal to remove natural materials from these areas.
- c. Animal skins or parts of animals that are obtained illegally or are from threatened or endangered species or merchandise that incorporates such skins or animal parts.
- d. Any merchandise that is hazardous, harmful, or illegal.
- e. Articles that are mislabeled as to character or origin (including handcrafts that are mislabeled as “Authentic” or “Genuine” United States Indian handcrafts) or otherwise misrepresented or that do not meet legal labeling requirements.
- f. Merchandise that is subject to spoilage and has exceeded the producer’s specific “Do not sell after” date.

## **F. FOREIGN MERCHANDISE**

Foreign made merchandise is not encouraged, but is not prohibited. It is to be displayed in such a manner as not to conceal or upstage United States products and especially United States handcrafts.

## **G. LABELING AND DISPLAY**

All items are to be labeled and displayed in such a way that the purchaser is not confused as to the price and origin of the item and whether it is foreign made and handcrafted. Merchandise displays should effectively enhance a pleasant shopping environment and not distract from the overall ambience of the concession area. Stores should be well organized, and they should be departmentalized to the greatest extent possible.

### **1. Labeling**

The price of all merchandise must be properly marked either individually or by a single display. Acceptable methods include stickers, grease pencils, and hand tags. Markings are to be neatly prepared and attached in a way that does not conceal labels, place of origin, or other identification.

- a. **United States handcrafts.**—Merchandise meeting the criteria established for United States handcrafts must be so labeled. The items may be identified by display, provided the entire display is composed of the same

type of United States handcrafts. The authenticity of such items must be clearly labeled, and at the request of area management, must be verified by the concessionaire.

- b. **Imitations and reproductions.**—Imitations of United States handcrafts and authentic United States Indian or Eskimo handcrafts must be identified as such and in a way that the purchaser is not misled into thinking that the items are United States handcrafts.
- c. **Foreign merchandise.**—Foreign merchandise must be properly labeled to indicate the origin of production and assembly.
- d. **Merchandise fabricated from animal skins.**—Merchandise fabricated from animal skins must be properly labeled to indicate that skins were obtained from legally authorized sources and are not from threatened or endangered species. At the request of an area manager, the authenticity of such merchandise must be verified by the concessionaire.
- e. **Interpretive tags.**—Items of handcraft or other quality merchandise can be enhanced and sales increased by appropriate in-store marketing, including attached tags or cards in holders that provide specific interpretive data in depiction, art work, crafts, etc., that explain significance in regard to the local area.

## 2. Display

- a. **Preferred merchandise.**—Prominent sale areas are to be used and merchandising techniques practiced that promote and encourage the sale of preferred merchandise.
- b. **Signage.**—Amateur, handmade, nonprofessional signs and labels are to be used only in emergencies. If signs are hand printed, they should be done by a professional letter or sign painter.

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# CHAPTER 11 – SMOKING IN PUBLIC BUILDINGS

## A. LAW

None.

## B. REGULATION

41 Code of Federal Regulations (CFR) 101-20.000

41 CFR 101-20.109.10

These regulations relate only to General Service Administration controlled buildings and facilities. In establishing guidelines pursuant to the regulations, Departmental Manual 310 extends coverage to buildings and facilities controlled by the Department of the Interior (Interior).

## C. GUIDELINES

The Bureau of Reclamation (Reclamation) guidelines govern smoking in all facilities leased, owned, or controlled by Interior. Concession facilities are Interior-controlled buildings, and this policy, therefore, applies to concession facilities. In joint-use space, Interior occupants will abide by the guidelines established by the principal occupant when they are more stringent than those of the Interior.

## D. PROCEDURES

Concession facilities must comply with the following guidelines relative to Reclamation areas. The concessionaire will post all non-smoking areas, including the following:

### 1. Dining Rooms, Cafeterias, and Snack Bars

Smoking is prohibited in all areas where food or beverages, including alcohol are sold.

### 2. Hotel, Motel, Cabin Rooms, and Other Overnight Accommodations

A minimum of 75 percent of all guest room accommodations will be nonsmoking. Any multiuse facilities (e.g., a hostel) will be nonsmoking.

### 3. Conference Rooms and Classrooms

Smoking is prohibited.



4. **Elevators**

Smoking is prohibited in all elevators.

5. **Gift Shops**

Smoking is prohibited in all gift shops.

6. **Medical Facilities**

Smoking is prohibited in all health care units.

7. **Record and Storage Areas**

Smoking is prohibited in all record and storage areas.

8. **Working Areas**

Smoking is prohibited in all working areas.

- a. All areas containing flammable or highly combustible materials will be designated as “No Smoking” areas and must meet the requirements of national standards promulgated by the National Fire Protection Association.

9. **All “No Smoking” areas must be appropriately identified.**

**E. RESPONSIBILITIES**

Area managers are responsible for making local decisions as to the applicability of these guidelines for each concession area. The area manager may close all facilities or a portion of any facility to smoking.

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# CHAPTER 12 – ENVIRONMENTAL PROTECTION AND POLLUTION PREVENTION

## INTRODUCTION

The Bureau of Reclamation (Reclamation) directs, coordinates, and cooperates with concessionaires for environmental and pollution management. Concessionaires will conduct all operations to promote environmental awareness among staff, guests, and visitors; use and promote the use of environmentally sensitive products and practices; reduce consumption of resources; minimize impacts on resources; minimize the creation of waste products; and take actions to remediate, as appropriate, hazardous waste and other environmental impacts.

This guideline provides information on environmental compliance issues related to concession operations:

- Environmental laws, regulations, and Executive orders (E.O.) of relevance to Reclamation concession management.
- Concessionaire compliance with Federal and State environmental laws.
- State role in enforcement of environmental laws.
- Programs to continually improve the skills of concessionaire and Reclamation employees in pollution prevention, environmental protection, environmental law compliance, and personal liabilities through training and awareness.

## ENVIRONMENTAL COMPLIANCE

### A. ENVIRONMENTAL LAWS AND REGULATIONS

*Concessionaires must manage their environmental concerns, not as a special issue, but as an integrated part of daily management activities.* Concessionaires must be aware of the Federal and State environmental laws and regulations that affect their activities. Being informed will help avoid problems and unnecessary expenses.

Since 1970, a growing body of environmental laws and regulations has influenced the decisions affecting the management of Federal lands and Federal land users. See Appendix A, Environmental Laws, Regulations, and Executive Orders.

Because of the fragility and natural resource values of wetlands and floodplains and the significance of historic landscapes and facilities, impacts from construction activities shall be avoided, except where no reasonable alternative exists to meet the management objectives of the area. Where new facilities must be located in such areas, their design and location shall be based on scientific, engineering, and architectural studies;

consideration for protection of human life, natural processes, and cultural resources; and consideration for the planned life of the facility. Existing facilities located in such areas and needing rehabilitation are subjected to the same scrutiny as those prescribed for new facilities.

## **1. National Environmental Policy Act**

Similar to the National Historic Preservation Act, the goal of the National Environmental Policy Act (NEPA) is to ensure that decisionmakers consider the effects of proposals on resources before making decisions.

### **The four basic levels of NEPA compliance are:**

- a. Memo to the files.
- b. Actions which, because of the minor extent of the impact, can be categorically excluded.
- c. Actions that require the preparation of an environmental assessment (EA).
- d. Actions, which, because of potentially significant effects on the human and natural environment, require the preparation of an environmental impact statement (EIS).

### **The three basic keys to success in the NEPA process are:**

- a. Know the resources and their significance before beginning compliance.
- b. Involve all interested parties early, including the area's management team, resource professionals, local interest groups, and Native Americans.
- c. Use a multidisciplinary team (the mix of professionals gives a broader, clearer picture of effects).

Involving all the players early in the process builds trust, uses the process in the way it was intended (to seek consultation rather than rubber stamping a decision), and ensures a multidisciplinary approach to the project or plan. Working together early ensures that decisions are made using all the tools and talents available to the area, making for better decisions and the best possible options for area resources. Early involvement also helps everyone who is a part of the process understand how and why decisions were made and what the factors were in making the decision and, ultimately, creates fewer problems and fewer detours half-way through a project.

Reclamation NEPA requirements are based on Reclamation's NEPA Guidelines and the Council on Environmental Quality's regulations at

40 Code of Federal Regulations (CFR) 1500-1517. Areas are responsible for preparation of EAs and EISs as required by those guidelines and regulations. All project compliance documents must comply with applicable laws, regulation, and guidelines. Section 404 Clean Water Act permits, statements of findings, findings of no significant impact (FONSI), and Record of Decision (ROD) needed for projects will be prepared by the area.

## 2. NEPA Process

The NEPA process begins with the determination of whether a “proposed action” is subject to NEPA compliance. A proposed action is subject to NEPA if it is a Federal action. A State, local, or private action also may be subject to NEPA if it includes significant Federal involvement. This includes non-Federal actions that are regulated, licensed, permitted, or approved by Federal actions (e.g., the need for Federal permits, licenses, and other approval from a Federal agency program).

A proposed action can be categorically excluded from the EA or EIS requirements if the action does not individually or cumulatively have a significant effect on the human and natural environment. In addition, the proposed action may be excluded if the Federal agency demonstrates that there will be no significant environmental effect through procedures adopted by a Federal agency pursuant to NEPA (e.g., building a fence).

If the proposed action is not exempt from the EA or EIS requirements, the lead Federal agency must prepare the appropriate level of compliance. The EA is a concise public document that should include a brief discussion of the need for the proposal, alternatives to the proposed action, the environmental impacts of the proposed action and its alternatives, and a listing of agencies and people consulted. The EA helps to determine if an agency needs to prepare an EIS or if the agency can make a FONSI.

In the EA, the lead Federal agency must assess the proposed action for the following three impacts:

- a. **Direct effects** that are caused by the action and occur at the same time and place. Examples of direct effects are the elimination of original land use because of the erection of a building and a change in land use.
- b. **Indirect effects** that are caused by the action but occur later. For example, an indirect effect may cause an increase in population density or growth rate which, in turn, can cause growth-induced stress effects on the air, water, and other natural systems.

- c. **Cumulative effects** that are caused by the action and slowly impact the environment when combined with other past, present, and reasonably foreseeable future actions. A cumulative effect is an individual action that is minor when considered solely but becomes a significant effect on the environment when occurring in conjunction with other minor actions.

After reviewing the EA, the lead Federal agency follows two courses of action. If the lead Federal agency makes a FONSI, then the agency must explain in writing why the proposed action does not have a significant impact on the human environment. If the EA highlights several human or environmental impacts that are significant in nature, the lead Federal agency must continue its review of the proposed action and develop an EIS.

### 3. **EIS Process**

The EIS process begins with the publication of a notice of intent in the *Federal Register*. The Notice of Intent must provide the proposed Federal action and all of its alternatives, the lead Federal agency's planned scoping of issues process, and a person to contact in the Federal agency for answers to questions pertaining to the EIS.

After a notice of intent is published, the lead Federal agency will begin the public scoping process to determine the scope of the issues to be addressed in the EIS. Public participation is encouraged, through public hearings, during the scoping process. Using information from scoping, the lead Federal agency prepares a draft EIS based on the identified scope of issues.

Upon completion of the draft EIS, the lead Federal agency must provide a 45-day comment period for review of the draft EIS. The lead Federal agency must submit the draft EIS to the Environmental Protection Agency (EPA) for review. All EISs are filed with the Office of Federal Activities and are announced weekly in the *Federal Register*.

The lead Federal agency is responsible for responding to all comments, including EPA's comments, and for incorporating comments into the draft EIS. The final EIS must include the lead Federal agency's response to comments.

When the EIS is final, the lead Federal agency must file it with the Office of Federal Activities. The Office of Federal Activities publishes the receipt of all final EISs in the *Federal Register* each week.

After a minimum of 30 days, the lead Federal agency makes a decision on the proposed Federal action. To justify and explain this course of action, the lead Federal agency must publish a Record of Decision (ROD), which is made available to the public.

#### **4. Endangered Species Act**

The Endangered Species Act (ESA) has separate processes that apply to Federal agencies and to other entities.

Federal agencies are required to avoid taking any action that may jeopardize the continued existence of any species listed as threatened or endangered (listed species). As a result, when proposing an action, Federal agencies must consult with the U.S. Fish and Wildlife Service (FWS) and/or the National Oceanic and Atmospheric Administration Fisheries (NOAA Fisheries), depending on the species involved. This consultation will require the lead Federal agency to evaluate the potential effects to listed species and their critical habitat. If any effect is likely, the FWS is required to either concur that the effect is minor or provide a Biological Opinion defining the effect on the species or critical habitat and recommend reasonable and prudent alternatives to avoid any effects that may jeopardize the continued existence of the species. The lead Federal agency is responsible for applying those recommendations and avoiding any action that may jeopardize the continued existence of the species.

Additionally, there is an absolute prohibition on taking (which means killing or significantly interfering with) any listed species without a permit. For Federal agencies, this permit is provided as part of the consultation process discussed above. For non-Federal entities, this permit is granted by FWS or NOAA Fisheries, depending on the species involved. The non-Federal entity must develop a Habitat Conservation Plan (HCP) to minimize effects on listed species. Once an HCP acceptable to FWS has been completed, FWS provides a permit.

The critical factors to remember for ESA compliance is that (1) it is required when listed species or critical habitat may be affected and (2) no project or proposed action may proceed until ESA compliance is completed.

#### **B. JURISDICTION**

Traditionally, Federal land managers and the resources they manage were not subject to regulation by State agencies or to close scrutiny by other Federal regulators. However, within the last three decades, this Federal-to-Federal relationship has changed, as well as the Federal-State interaction.

The general rule with regard to Federal compliance with State laws and regulations is that, absent a specific Federal statute where Congress has mandated Federal compliance, Federal agencies are exempt from State or local regulation pursuant to the Supremacy Clause of the Constitution. *Arizona v. State of California*, 283 U.S. 423 (1933); *May v. United States*, 319 U.S. 441 (1943).

Statutes, such as the Clean Water Act, mandate compliance with State law concerning discharge, control, and abatement of water pollution. Similarly, other statutes cede

jurisdiction to State regulatory agencies notwithstanding the particular jurisdiction of the Reclamation area involved.

The passage of the Federal Facilities Compliance Act in October 1992 specifically permits both the States and the EPA to bring suits against Government agencies and departments for violation of environmental statutes.

## C. LIABILITY

The growing national concern over the protection and enhancement of our country's environment is reflected in an expanding, detailed, and complex body of laws and regulations. The simple fact is that area managers and Government contractors, including concessionaires, and perhaps even planning and design personnel, can and may be held liable for their actions, or their inactions as the case may be, by Federal and State environmental regulators. Such regulators have instituted criminal prosecutions against Government contractors and against Federal employees and individual Federal facilities personnel.

Area managers and personnel must be made aware of the criminal and environmental statutes and that Federal managers, Federal employees, and concessionaires can be subject to civil fines or criminal prosecution for breaking laws they do not know about or did not know applied to them. For environmental statutes, the Federal manager or employee, or concessionaire, can also be charged and convicted because they are aware of problems, they had the capability to correct the problems, and they did not take appropriate action.

With the application of Federal requirements to Federal facilities and selected applicability of State statutes, it is increasingly important to determine when and if actions being taken fall into a regulated area to determine the potential liability of the Federal agency. In some instances, liability has extended to criminal prosecution of civilian employees for violation of Federal environmental statutes (U.S. v. Die, 912 F. 2d 741 [4th Cr., 1990]).

Applicability of potential liability in the field of hazardous and toxic materials management extends both to those who know of such actions and those who have reason to know of such problems. **As a result, Federal officials with oversight of concession operations may be held liable for actions of a concessionaire who improperly handles, uses, or disposes of a hazardous material or waste.** In addition to agency or corporate liability, each manager assumes a personal and even criminal liability for environmental law violations, regardless of whether they know about the law or not.

**Because Federal officials and their contractors (concessionaires) are subject to State criminal prosecution for violation of environmental statutes, in the current climate of Federal versus State sovereign immunity, it is the individual Federal and concessionaire manager or employee who may become a target of "State" prosecutors for indictment simply because no other entity is amenable to suit. Since that can occur, managers must understand criminal liability is something that will**



**not be waived for any Federal official. Moreover, if a Federal official is charged with violation of environmental statutes in the course of Federal employment, the agency, via the Department of Justice, may or may not provide representation by an attorney. Therefore, regardless of the consequences of the “targeting” of charges, it is the individual employee who personally will feel those consequences most directly, rather than the Federal Government.**

Liability of the Federal official and concessionaire is complex, difficult to understand, and expanding in relevance as the Federal Government cedes enforcement powers to States. Reclamation and concession officials at all organizational levels operating on Federal land must be prepared to fulfill their stewardship responsibilities, including the responsibilities to document problems and “buck” them up to program managers and senior Reclamation managers to get them resolved, and have a clear understanding of what the consequences are if they do not meet them. Refer to Appendix D, Personal Liability of the Federal Official, provided by the Office of Personnel Management (February 1994).

## **D. CONCESSION ACTIVITY ISSUES**

Many concessionaires generate or store different hazardous materials. The most direct overview of concessionaires’ hazardous materials inventories, containments, cleanups, and followups is through managed contract compliance. Training for concessionaire and Reclamation employees in environmental law is useful in dealing with these concerns. In accordance with requirements of E.O.12873, Reclamation should seek technical assistance from the EPA.

# **RECLAMATION CONCESSION PROGRAM**

## **A. POLICIES**

The Department of the Interior (Interior) has recognized the need for a strong policy on pollution abatement, as called for in Office of Management and Budget Circular A-106, dated December 31, 1974, and on solid waste or hazardous and toxic substance management by developing 518 DM 2.4 (Department of the Interior Manual). Interior agencies must comply with all Federal waste management requirements, including required assessments, appropriate response, monitoring, recordkeeping, and reporting. However, it may call for agencies to comply with State waste management requirements as well, even though some of those requirements are quite stringent with exceptional fiscal implications. It also calls for the heads of bureaus and offices having responsibility for waste management under their jurisdiction to ensure that adequate program support in terms of budget and resources are available to comply with all Federal and State waste management requirements.

It is Reclamation policy that concessionaires be required to comply with the applicable provisions of all laws, Executive orders, regulations, and policies pertaining to natural resources in Reclamation areas.

A part of natural resource management efforts is the incorporation of environmental programs and procedures into the overall concession program.

- Solid waste management decisions consider economics, the proper use of personnel and physical resources, the effect on the total environment, and other factors of sound engineering and will be in compliance with Federal, State, and local regulations regarding avoidance, amelioration, or elimination of environmental pollution.
- Activities involving hazardous and toxic materials or waste, including purchase, storage, transportation, and disposal, will comply with Federal, State, and local regulations, including, but not limited to, the Resource Conservation and Recovery Act (42 USC 6901 et seq.), the Comprehensive Environmental Response Compensation and Liability Act (42 CFR 9601 et seq.), and the Integrated Pest Management Program of Reclamation.
- Concessionaires, as federally licensed operators, will comply with the applicable provisions of all laws (Federal and State), Executive orders, regulations, and policies pertaining to natural resources in Reclamation areas, including those pertaining to environmental protection, pollution prevention, and solid and hazardous waste management.

Reclamation concession management policies for environmental protection, pollution prevention, and compliance require concessionaires to comply with the applicable provisions of all laws, regulations, and policies pertaining to natural and cultural resources in Reclamation areas. Reclamation, as well as concessionaires, is fully committed to resource stewardship and will reflect that commitment in specifying and striving to achieve source reduction and pollution prevention “goals.” To that end, all concession facilities will be designed, constructed, and operated, whenever feasible, in a manner that prevents or reduces pollution at the source. The operation, maintenance, and management of concession facilities and concessionaire acquisition and purchasing activities will be conducted, to the extent practicable, to promote use of environmentally preferable products, including materials and supplies with recycled content, and to avoid or minimize the quantity of toxic and hazardous chemicals and hazardous substances entering the waste stream. In addition to source reduction, the concessionaire will demonstrate a commitment that waste generated is to be recycled to the maximum extent practicable and that any wastes remaining are stored, treated, handled, transported, and disposed of in a manner protective of public health and the environment.

Concessionaires will report to Reclamation any toxic chemicals entering the waste streams from their facilities. Any unauthorized releases to the environment will be reported promptly to Reclamation and to others as required by regulation or agreement.

In addition, the concessionaire will cooperate fully with area officials to improve local emergency planning, spill prevention and response, accident notification, and pollution prevention.

The concessionaire will help encourage use of clean technologies and safe, environmentally preferable products and alternatives to toxic, hazardous, and extremely hazardous substances through any means possible, including revisions to specifications and standards, the acquisition and procurement process, the testing of innovative pollution prevention technologies, and sharing information with the public concerning pollution prevention strategies that have been successful. In addition, the concessionaire is encouraged to be a full participant with Reclamation and provide necessary assistance and aid to carryout a monitoring program, or portions thereof, to ensure area resources affected by commercial activities are not impaired.

## **B. INTEGRATED PEST MANAGEMENT**

Concessionaires frequently must deal with weeds, harmful insects, mice, and other animal pests that interfere with their operations or detract from their guests' experiences. Examples of this include cockroaches in dining rooms, flies in stables, dandelions in turf, and poison ivy along a trail. Certain pest problems can be very site specific and require specialized approaches. Contact with the area concession management specialist and Integrated Pest Management (IPM) Coordinator is recommended.

Pesticides are strictly controlled and can be used only in a manner consistent with Reclamation policies and procedures and in a manner conforming to Federal and State laws and regulations. Pesticides shall be applied only by those persons who have been properly trained and who are currently certified or licensed in the particular category of pest control required for the situation at hand. These policy restrictions apply equally to concessionaire and Reclamation areas. Reclamation concession managers have the lead responsibility for ensuring that concessionaires comply with Reclamation pest and pesticide management policies and procedures.

Pesticides may be applied only after Reclamation approval has been received, and any application should be part of an IPM plan submitted to Reclamation. Depending on the dangers involved in the application, approval may be granted at the regional level. IPM coordinators at the area and regional office levels can provide current information on the approval procedures.

IPM is a planned program incorporating continuous monitoring, education, recordkeeping, and communication to prevent pests from causing unacceptable damage to operations, people, property or the environment. IPM uses a combination of targeted, sustainable methods such as habitat modification, biological control, cultural control, mechanical control, physical control, regulatory control, and when necessary, the judicious use of least-toxic pesticides.

IPM approaches are emphasized as a means to reduce long-term pest control costs and pesticide risk.

Operational activities associated with pest management are the responsibility of the concessionaire, as is participation in Reclamation pesticide approval and use reporting processes. This includes inspecting and monitoring pest populations; implementing nonchemical management methods such as sanitation, sealing buildings, plumbing and conduit repair, mowing, and trapping; and applying pesticides.

Reclamation will make the services of the area's IPM coordinator available. This person will assist with identification of pests, recommend and approve pest-monitoring methods, obtain approvals for the use of pesticides, and provide other technical assistance.

Concessionaires should meet annually with the area concession management specialist and IPM coordinator to discuss pest management issues and to project the requirements for the use of pesticides.

### **C. SPILL PREVENTION, CONTROL, AND COUNTERMEASURE PLANS**

The EPA's oil pollution prevention regulation establishes requirements for facilities to prevent oil spills from reaching navigable waters of the United States or adjoining shorelines. The rule applies to owners or operators of certain facilities that drill, produce, gather, store, process, refine, transfer, distribute, or consume oil. The regulation requires that all regulated facilities (including Federal facilities as specified in 40 CFR 112.1(c)) have fully prepared and implemented Spill Prevention, Control, and Countermeasure (SPCC) Plans. See appendix C.

An SPCC Plan is a detailed, facility-specific, written description of how a facility's operations comply with the prevention guidelines in the oil pollution prevention regulation. These guidelines include measures such as secondary containment, facility drainage, dikes or barriers, sump and collection systems, retention ponds, curbing, tank corrosion protection systems, and liquid devices.

A registered professional engineer must certify each SPCC Plan. All SPCC Plans must be updated every 3 to 5 years or when affected operations are modified.

Unlike Oil Spill Contingency Plans that typically address spill cleanup measures after a spill has occurred, SPCC Plans ensure that facilities put in place containment and other countermeasures that would prevent oil spills that could reach navigable waters. Under the regulation, facilities must detail and implement spill prevention and control measures in their SPCC Plan.

A Spill Contingency Plan is required as part of the SPCC Plan if a facility is unable to provide a secondary containment. The ability to implement the SPCC must be demonstrated by having the appropriate equipment on hand and personnel trained.

In addition to the storage capacity criteria, facilities are regulated if, because of their location, they could reasonably be expected to discharge oil into navigable waters of the United States or onto adjoining shorelines.

## D. POLLUTION INSURANCE

Concessionaires operating or owning activities with the potential for causing pollution or environmental damage should be required to have pollution liability insurance in accordance with the Resource Conservation and Recovery Act and for other operations as required by Federal, State, and local laws. Concessionaires should also obtain pollution liability insurance to cover corrective action and cleanup for on-site and off-site premises as required by Reclamation. The limits of liability insurance should be an amount commensurate with the potential damage that could be caused by the activity, but Federal, State, or local laws may require other limits. Where insurance is required, the concessionaire may satisfy Reclamation pollution insurance requirements by having its existing commercial general liability insurance policy include an endorsement for pollution coverage or by purchasing a separate pollution liability policy. Insurance imposed by Federal, State, or local laws, however, must be obtained in accordance with those laws.

**In the past, pollution damage caused by sudden and accidental spills would have been insured by a commercial general liability insurance policy under the property damage section. Today, most commercial general liability policies exclude coverage for such accidents, but the policy can be endorsed to provide the coverage.**

Pollution insurance protects against sudden and accidental spills or runoff of hazardous material into the air, ground, or water. Pollution insurance, however, will not cover intentional acts of polluting. For example, if a tour bus is involved in an accident that causes the vehicle's fuel to seep into the ground or runoff contaminates a stream, insurance will pay for the damage caused to the environment. On the other hand, dumping batteries into a reservoir will not be covered.

Pollution insurance is a relatively new area and, therefore, nomenclature has not yet been established. Pollution insurance policies go by several names, including Environmental Impairment Liability, Pollution Legal Liability Protection, Pollution Cleanup, and Underground Storage Tank Liability Insurance. The conditions contained in pollution policies also differ considerably. EPA, in accordance with the Resource Conservation and Recovery Act, requires that underground storage tank operators have insurance (financial responsibility) to cover corrective action and cleanup for on-site and off-site premises.

It should be understood that the Resource Conservation and Recovery Act requires insurance or financial responsibility only for hazardous waste. The act affects concession operations that have underground storage tanks. There may be other operations requiring insurance under the act that would also pertain to concessions. Additionally, State and local laws may also require insurance for specific types of operations.

It is recommended that pollution insurance be required pursuant to Federal, State, or local laws or in a situation where Reclamation determines that pollution is highly likely. In the latter situation, a concerted effort should first be made to determine what precautions could be taken to prevent pollution or closing the operation.

Concession operations that could cause pollution and perhaps should require insurance include petroleum fuel storage and distribution systems, automobile service stations, marinas, repair shops, storage and use of herbicides and pesticides, and on-site dry cleaning operations. If insurance premiums are prohibitive, the use of high deductibles and out-of-pocket payments for smaller claims may make insurance for catastrophic claims affordable. Again, before requiring insurance, consideration should be given to precautions to prevent polluting, the cost effectiveness of insurance, the likelihood for polluting, and whether the material is considered hazardous under Federal, State, and local laws.

## **ENVIRONMENTAL AWARENESS**

Environmental awareness is critical to the success of environmental compliance and sustainable practice programs at Reclamation areas. An understanding of and appreciation for sustainability, biodiversity, and environmental ethics will result in healthier ecosystems and set the foundation for developing successful sustainable practices and help prevent environmental compliance problems from arising. Environmental awareness will require an ongoing effort to educate both visitors and employees.

As operators within Reclamation areas, concessionaires also have a role and responsibility to lead by example within their respective industries. Training of employees with day-to-day management responsibilities will increase awareness; however, orientation training is needed for employees to be able to recognize potential environmental hazards or practices that need reform.

### **A. VISITOR AWARENESS, PUBLIC/PRIVATE PARTNERSHIPS**

Reclamation and concessionaires should actively consider ways of increasing visitor awareness of environmental concerns. This certainly can be (and is being) done through application of sustainable practices; however, direct interpretive and educational methods are available and should be considered by area and concession staff.

Heightened environmental awareness can result from cooperative area-concessionaire environmental programs, joint recognition of individuals and teams, joint publication of environmental materials, etc. Partnerships with local environmental groups and businesses not only will improve environmental efforts but will also have the potential to expand these efforts outside the area.

### **B. RESOURCES MONITORING**

Concession activities and associated use of area resources and Reclamation management of concessionaire operations should involve resource monitoring to ensure protection of area resources. Reclamation should assemble baseline inventory data describing

resources under its stewardship and monitor those resources at regular intervals to detect or anticipate changes that may require intervention and serve as reference points for comparison with other, more altered environments.

Resource monitoring by Reclamation and concessionaires has increased dramatically over the past decade and will continue. The Comprehensive Environmental Response, Compensation, and Liability Act; the Resource Conservation and Recovery Act; NEPA; the EPA's Environmental Monitoring and Assessment Program; the Natural Resource Damage Assessment regulations promulgated under the Oil Pollution Act of 1990; etc., influence agencies to carry out research and monitoring programs that will characterize the environment and the natural, physical, and human-caused processes that will affect the environment.

## **SUSTAINABLE PRACTICES**

For the tourism industry, the decade of the 1990s increased attention to words such as "greening," "sustainability," "environmental compliance," and "ecotourism." These words have taken on varying definitions, meanings, and actions. These terms are grounded in the belief that we can no longer go on with our lives without addressing the environmental and cultural consequences of our personal and business actions. Beyond dealing with critical environmental compliance issues such as clean air, clean water, and toxic waste disposal, we are compelled to understand our personal and corporate relationships with environmental and cultural systems and our roles in ensuring the capability of natural and cultural systems to maintain themselves over time.

Reclamation and its concessionaires should set examples for other agencies and the hospitality industry in environmental practices. Some concessionaires are already doing this.

### **A. ENVIRONMENTAL IMPACTS**

First, each concession operation (as well as each area) needs to conduct an environmental audit to assess its own impacts. The audit should deal with hazardous materials and chemicals, pesticides and herbicides, water and energy use, solid waste and recycling, waste stream management and recycling, and as many other aspects of pollution prevention as possible. This can be a self audit, using guidelines developed by various tourism and environmental organizations. This self audit can be augmented by use of local expertise from an environmental group, Reclamation office, or tourism group. Experts who do audits for a living can be used; however, this option may be expensive.

The next step is to determine how to reduce the identified impacts. Objectives include improved maintenance and operations with much lower environmental impacts and a goal of operations with no net environmental impacts or even a positive contribution to the environment.

## **B. ECONOMIC IMPACTS**

Concessionaires are not required to spend enormous amounts of money to turn their concessions into “green” operations, but there is a cost. The good news is that this cost is usually recoverable. For example, a strict adherence to scheduling of routine maintenance of utility systems and vehicles not only conserves energy and contributes towards cleaner air, but also lowers long-term costs. A comprehensive recycling program for corrugated boxes and aluminum cans not only reduces the amount of waste going into a landfill, but can save hauling costs to the landfill. Implementation of an Environmental Management System (EMS) can significantly reduce compliance costs. Using water restrictors not only reduces the impact on water supply systems, but also can reduce the cost of purchasing water. Also, more and more travelers and groups are looking for tourism operations that are making environmental efforts. Along with helping the environment, the greening of an operation makes sense from a financial standpoint.

## **C. SUSTAINABLE DESIGN AND CONSTRUCTION**

Sustainable design in human developments has come to the forefront in the last 20 years. Sustainable design is an integral part of the natural world and emphasizes that nature must be preserved and perpetuated if the human community is to sustain itself indefinitely. Sustainable design is the philosophy that human developments should exemplify the principles of conservation and encourage the application of those principles in our daily lives.

Guiding principles of sustainable design are intended to provide a basis for achieving sustainability in facility planning and design, emphasize the importance of biodiversity, and encourage responsible development decisions, particularly when related to ecotourism. This merger of sustainable development and ecotourism provides tremendous opportunities for affecting visitor perceptions of the natural and cultural world and developing conservation-oriented values.

The suggested principles to be used in the design and management of area and other visitor facilities emphasize environmental sensitivity in planning, design, construction, operation, and maintenance; the use of nontoxic materials; resource conservation; recycling; and the integration of visitors with natural and cultural settings.

Reclamation promotes the application of the principles of sustainable design in all future area design and construction activities, including concession facilities.

As the contractors who operate Government-owned facilities, concessionaires must, at a minimum, promote programs for Federal agencies, in particular Reclamation.

E.O. 13123, Energy Efficiency and Water Conservation at Federal Facilities, June 3, 1999, which supersedes E.O. 12902, March 8, 1994, requires each agency to reduce energy consumption per total square foot, relative to 1985 use, by 30 percent. Energy efficiency shall also be increased by 20 percent over 1990. The goal for realizing these



achievements is the year 2005. All cost-effective water conservation projects shall also be implemented.

When an agency constructs at least five buildings in a year, it shall designate at least one building to be a showcase of advanced technologies and practices for energy efficiency, water conservation, or use of solar and other renewable energy.

Audits and recommendations for improvement can be obtained from local utility companies or from the EPA's Green Lights Program. The Department of Energy is a lead agency in solar energy initiatives and has a list of companies providing energy conservation services. The Office of Management and Budget has guidelines that include listings of energy-efficient products and practices used in the Federal Government.

## **D. SUSTAINABLE MAINTENANCE AND OPERATIONS**

### **1. Maintenance**

Facility maintenance practices are critical parts of a plan to “green” a concession operation. A well-conceived and constructed facility will quickly lose its environmental effectiveness if not properly maintained. This requires the concessionaire to have a maintenance system that inventories the items to be maintained, establishes standards based on use and environmental and climatic conditions, and plans for logistical services that complement the facility's environmental objectives.

When constructing facilities, maintenance staffs must take into consideration material longevity, cycle frequency, specialized training and equipment requirements, employee health hazards, renewable resource requirements, maintenance costs, and disposal problems.

### **2. Operations**

Each concessionaire should have an EMS that will provide direction and ideas on good environmental practices. It can include maintenance actions, utilities, specific operational activities, antipollution measures, and interpretive activities. The commitment to contractual improvement should be documented and evident.

The following are ideas of good environmental practices:

- To conserve power and electricity, ceiling fans can be used to reduce the use of air conditioners. Some operations use low-energy fluorescent fixtures in public areas, halogen bulbs in bathrooms, natural lighting where possible, solar-powered walkway lights, and insulated windows or

storm windows. Solar energy systems to provide light, heat water, and provide power for appliances are available and in use by some concessions.

- Housekeepers should watch and adjust guest-controlled thermostats. Electricity saver stickers should be placed in guestrooms as reminders to shut off lights when not in use.
- Reclamation and concessionaires should explore ways to reduce the use of water and produce less wastewater in sewage systems. For example, place flow restrictors in showerheads and faucets. Place water savers in toilets, or install low-volume toilet flush units. Examine maintenance methods for cleaning swimming pools without extensive draining of pools. In restaurants, offer water only when requested and have a sign on the table that explains why. If not on a municipal system, consider ways of treating water that reduce the use of chemicals and energy. Instead of irrigating lawns, gardens, and recreation areas, such as golf courses, with municipally treated water (local and State ordinances permitting), consider being part of a system that uses gray water. Gray water is waste water that is treated almost to the point of human consumption but avoids the cost of full water treatment. Using gray water may be healthier for lawns, it may reduce the pressure on treatment plants, and it will reduce water costs.
- Lodging managers are using facial and toilet tissue from recycled paper. Some are using on-the-wall dispensers for bathroom amenities, such as soap and shampoo, instead of small individual bottles, or they have housekeepers collect the bottles for recycling. Rather than placing plastic shower caps and amenities that the traveler may have forgotten in the guest's bathroom, some are now offering them at the front desk. This can reduce waste as well as unnecessary packaging. Concessionaires tell guests that they may have clean towels by placing them in the tub after use, but encourage them to hang the towels back on towel racks to reduce the use of water and power. This has reduced operational costs and reduced use of natural resources, and guest acceptance has been high.
- Bed linens, wallpaper, and carpets made of nontoxic and recyclable materials are now available. Consider giving worn linens to a church or medical society rather than disposing of them.
- Use pump spray instead of aerosol bottles of cleaning agents. Concessionaires are converting to natural, nontoxic cleaning materials that not only work well, but also reduce the cost of materials substantially.
- A recycling program should be developed. Some concessionaires bale cardboard, collect glass containers, bundle newspapers, and set out recycling bins for paper and containers for use by guests. Others ask guests to place containers and papers on a table in the room for

housekeepers to collect. In each case, it is helpful to have a sign or other means to indicate the importance of recycling.

- In back-country areas with rustic camps or on guided trips, biodegradable soaps should be used both for bathing and for cleaning kitchen items. On river trips, river companies and private parties should use systems to haul out solid human waste that are both easy to use and inexpensive. In fact, the general rule for all waste, garbage, and trash is that if you hauled it in, you must haul it out.
- Horse trip parties should be required to use grains and processed foods for their stock instead of hay, which can leave behind seeds of unwanted exotic plants. When livestock must use hay, feed certified as “weed free” must be used.
- Marina stores should only sell biodegradable products. Marinas need to carefully examine their operation and develop pollution prevention programs.

The above list offers some practical suggestions for concession operations. An increasing number of travelers seek out lodges and guide services that have a concern for the environment. Two standards for implementing an EMS are ISO14001 and CEMP. Both are available online from EPA.

## **E. SOLID WASTE DISPOSAL AND RECYCLING**

The Solid Waste Disposal Act requires Federal agencies having jurisdiction over any real property to ensure compliance with solid waste disposal. To this end, Reclamation has initiated an Integrated Solid Waste Alternative Program that outlines five program elements in a hierarchical order (source reduction, recycling, waste combustion, landfilling, and outreach) to promote a coherent approach to an area’s solid waste problem.

Concessionaires must comply with solid waste management practices established for the area in which they operate and must otherwise cooperate with Reclamation to reduce solid waste; promote use of environmentally compatible materials; educate area visitors, employees, and residents on good waste management practices; and actively assist in implementing and promoting Reclamation’s Integrated Solid Waste Alternative Program.

Recycling is the process and technology of processing any material that might otherwise be discarded and using that material for a new product. Recycling involves collection, separation, and consolidation (i.e., baling) to buyers’ specifications; selling to markets; processing; and eventually reusing materials. Collection and separation of recyclable materials is the first step in the recycling process. If the material is not processed and returned to commerce, the material is not recycled. Recycling saves energy, natural resources, land, and water.

Aluminum and other metals, paper and cardboard, glass, plastics, tires, batteries, waste oil, and solvents are commonly recycled. Because paper products contribute heavily to the municipal solid waste stream, areas are recycling paper or seriously considering recycling alternatives that are available for these products.

Reclamation encourages saving energy and reducing litter through the use of recyclable containers wherever practical and has in place a program for returnable beverage containers for which a deposit is charged. Guidelines require that signs showing the beverage price, deposit amount, and where empty cans may be returned for refund be posted in a conspicuous place.

Development of consolidated recycle centers for the area and the concessionaire(s) to use may be needed to take advantage of economies of scale and to avoid duplications of land commitment for the same function. Where needed, these should be self-funding projects.

## **F. TRANSPORTATION**

Over the short term, as alternative-fueled vehicles are becoming more widely available and infrastructure to support such fleets are developed, a prudent course of action would be for both Reclamation and concessionaires to review their vehicle fleet and consider “downsizing” opportunities. The improved gas mileage will help reduce the rate at which gasoline is used within the area and, thereby, reduce the total volume required to be stored as on-hand capacity.

## **G. ENERGY CONSERVATION**

Energy conservation is the subject of E.O. 13123, Energy Efficiency and Water Conservation at Federal Facilities. The E.O. provides for Federal facility managers to reduce energy consumption in all Government-owned (including contractor-operated) facilities. (See appendix A.) A campaign put together by EPA under the heading “Green Lights,” the confluence of environmental gain and economic incentive is being highlighted and promoted. The Green Lights Program takes advantage of the tremendous potential for cost savings through improving the energy efficiency of building lighting systems. Under the Green Lights Program, EPA has produced technical guidance, including The Lighting Upgrade Manual and decision-support software to help organizations survey their existing lighting system, assess lighting options, and select the best upgrade. To contact the EPA Hotline, call customer service at (202) 775-6650 or contact them by fax at (202) 775-6680.

Many utilities are interested in working with their customers to help them realize savings. It is in the utility company’s interest to pursue this because it is cheaper to meet increasing demand through energy conservation than through development of new energy-generating sources. Utilities will often provide technical services such as lighting audits and financial incentives.

Another source of information on energy conservation is the Association of Energy Engineers. Their address is 4025 Pleasantdale Road, Suite 420, Atlanta, GA 30340, (404) 925-9633. The Sandia National Laboratory sponsors the Photovoltaic Design Assistance Center to encourage the use of solar energy. They have been active with the U.S. Forest Service in promoting the use of solar systems at remote comfort stations and for other recreational uses. For information, call (505) 844-2154. Their address is Division 6223, Sandia National Laboratories, Albuquerque, NM 97185.

## TRAINING

Reclamation and concessionaires must commit to staff training and active programs concerning environmental protection; environmental law, liability, and compliance; pollution prevention; hazardous materials management; sustainable design and operational practices; energy and water conservation; IPM; and resources inventory and monitoring programs.

### A. TYPES OF TRAINING

Comprehensive training programs to disseminate environmental and hazardous materials compliance information to all appropriate field personnel are critical to both Reclamation's and the concessionaires' ability to fulfill legal responsibilities and to be good stewards of Reclamation areas.

To provide a safe and healthy workplace, it is essential that Reclamation and concessionaires provide health and safety training. In addition, Reclamation and concessionaires are legally compelled to provide health and safety training.

There are two areas of legislation and regulation that apply consistently to Reclamation area and concession operations. The first deals with a staff's understanding of chemical hazards and their preparedness to recognize and defensively respond to hazardous material incidents and spills. The Occupational Safety and Health Administration (OSHA) promulgates these standards. The second area that mandates training applicable to Reclamation areas and concession operations is found in Federal hazardous waste laws and the Resource Conservation and Recovery Act.

The most widely applicable OSHA requirements in the hazardous materials arena include:

1. **Hazard Communication** (29 CFR 1910.1200). This regulation is sometimes referred to as the "Worker Right-to-Know" standard. It requires employers to educate workers to increase their understanding of chemical hazards, to teach workers how to read a Material Safety Data Sheet (MSDS), and, specifically, to notify workers as to the types of chemicals they will likely come into contact with on the job.

2. **Hazardous Waste Site Operations and Emergency Response** (29 CFR 1910.120). This regulation requires that employees who may encounter or be part of a “first response” to a hazardous materials incident be trained in chemical hazard recognition, defensive procedures (evacuation and containment), and notification procedures. The regulation specifies two levels of training that are appropriate to area and concession operations.
3. **Hazardous Waste Generation.** Under the Resource Conservation and Recovery Act (RCRA) and regulations promulgated thereunder (40 CFR Part 262.34 [d]), the requirements for “generators” of hazardous waste (even small quantity generators) states that employers must train staff to handle and manage hazardous waste to prevent spills and other dangerous incidents. Staff who generate hazardous waste as part of their work duties need to understand the hazardous waste management practices legally applicable to the waste stream(s) handled.
4. **Lead-Based Paint Abatement.** Reclamation and concession employees may work or live in buildings that contain lead-based paint. Maintenance workers will be most likely to be working in an environment that contains lead-based paint. Lead-based paint was not phased out of use until the mid-1970s; it must be assumed that older structures contain lead-based paint until proven otherwise. Testing is a simple and inexpensive way to avoid lead exposure.

The Congress directed EPA to develop a national program to ensure that individuals engaged in lead-based paint activities are properly trained and certified, that training program providers are accredited, and that firms engaged in such activities are certified.

5. **Asbestos Inspection.** Asbestos is commonly found as an insulation and fire protection material in older structures. It is considered a hazardous substance and is regulated in a number of ways. Under the Clean Air Act, it is considered an air pollutant, regulated under the National Emissions Standards for Hazardous Air Pollutants (40 CFR, Part 61, subpart M). The National Emissions Standards for Hazardous Air Pollutants program requires the EPA to be provided advance notice of any project to renovate or demolish a building containing asbestos.

Individuals involved in asbestos inspection and management must be accredited through an approved Asbestos Hazard Emergency Response Act (40 CFR 763) training program. OSHA has two sets of regulations that pertain to asbestos: 29 CFR Part 1910.1001 (establishes worker protection standards) and 29 CFR 1926.58 (establishes worker protection standards and standards for construction and demolition in asbestos-containing structures).

It is critical that Reclamation and concessionaires provide maintenance managers with a clear understanding of these laws and requirements because they are complex, asbestos is prevalent in our structures, the penalties for violations are significant, and the health outcome for mismanagement of asbestos can be severe (cancer).

## B. PROTECTION OF RESOURCES

Continuing with the types and reasons for environmental and hazardous materials training, resource protection is one of the core missions of Reclamation. Under this heading, training in two areas would benefit both Reclamation and concessionaire staffs in the protection and enhancement of area resources. The first area relates to spill contingency management in the context of health and safety regulations. The second resource protection initiative requiring training support is hazardous waste site identification.

1. **Spill Contingency Management Preparedness.** The training effort in advanced spill contingency management needs to be focused and proportional to the risk at individual areas. For those areas with unique vulnerabilities (i.e., areas with marina operations, coastal areas near shipping channels, and areas with major highways or pipeline rights-of-way), advanced spill management is needed. However, staffs should not be trained as Incident Commanders for these plausible major incidents. Under the National Response Plan and the National Contingency Plan (40 CFR, Part 300), this is not the area office's role. Area office staff need to be trained in their role in responding to these incidents because of Reclamation's significant role as a Federal Natural Resource Trustee and because of its subordinate role in incident management relative to the primary Federal response agencies of EPA and the Coast Guard. Staff should be prepared to assist these lead agencies with aspects of these events for which Reclamation may be best qualified, such as resource vulnerability assessments, resource recovery, and press relations.
2. **Hazardous Waste Site Inventories.** Staffs need to be prepared to identify and document areas of potential hazardous waste contamination within areas. Many "hazardous waste sites" have been created from historic activities. These areas of contamination may have been caused unintentionally by area or concessionaire operations (i.e., through maintenance operations, fuel storage and distribution, or firing range operations). The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), compels Federal land managers to report potential waste sites to EPA and State regulatory agencies. After these sites are identified, they are evaluated through the development of a Preliminary Assessment and Site Inspection for ranking according to the Hazard Ranking System (part of the National Contingency Plan, 40 CFR, Part 300). Area personnel do not need to become CERCLA experts. Service Center and Washington staffs will follow up with the more complex site evaluation and investigation processes. Personnel at these levels will need advanced training.

## C. REDUCTION OF LIABILITIES

There are at least five areas in which Reclamation and concessionaires can effect training and actions that will reduce environmental and hazardous materials liabilities. Training staff to take these actions, where appropriate, can help realize cost savings, avert environmental damage, and preclude any civil or criminal violations of law.

1. **Circumstances and Consequences of Civil and Criminal Violations of Environmental Laws.** Managers and employees need to be made aware of the specific civil and criminal liabilities associated with the environmental laws that apply. Violating environmental laws can involve fines and imprisonment. Knowledge of the civil and criminal liabilities can provide a tremendous amount of incentive to take these laws seriously.
2. **Concessionaire Compliance.** As the “property owner,” regulators look to Reclamation as ultimately responsible for the environmental compliance activities allowed to take place within areas. Reclamation can even be held liable for activities that occur without the express consent of an area manager (e.g., illegal dumping). Reclamation concessions management personnel and hazardous materials coordinators need to be trained to monitor concessionaires and other permitted operators for compliance.
3. **Oversight of Hazardous Waste Contractors.** Reclamation incurs unnecessary expenses by hiring contractors to perform hazardous waste disposal and remedial actions and allows them to work without sufficient oversight. This oversight includes general waste disposal actions, underground tank removals, site investigation, and other hazardous waste remedial actions. As this type of work is undertaken, a knowledgeable Reclamation representative must be present to ensure that the Government is paying for only necessary expenses and that the work is undertaken in a manner that minimizes future liability.
4. **Hazardous Materials Management and Waste Minimization.** Environmental liabilities are reduced to the extent that the amounts of waste generated are reduced. This is the message carried in E.O. 12573, Federal Acquisition, Recycling, and Waste Prevention, which calls for switching to low toxicity, environmentally preferable products and devising low-waste processes. Significant hazardous waste minimization in areas can be achieved through actions as simple as inventory control and conformance with IPM policies and pesticide use approval procedures. Much of the hazardous waste Reclamation disposes of includes hazardous materials that have exceeded their shelf life because of overstocking or salvaging already aging materials from Federal surplus sources. The key to making these practices, no matter how simple, a regular part of standard operating procedures is training. Area personnel need to be exposed to the multitude of waste minimization techniques (inventory control, centralized procurement, product substitution, etc.) to determine which practices might be applicable to their operations.
5. **Land Acquisition and Property Transfer Surveys.** According to current convention in the realty industry, no property is transferred until it is surveyed for environmental liabilities. By Secretarial Order 3127, the Interior requires all bureaus to survey land for hazardous substances before acquisition, through purchase, donation, or inter-agency transfer. This policy is designed to identify and evaluate any areas of environmental concern on a property before acquisition.



This process should be applied to concessionaire facilities at contract expiration to ensure that Reclamation does not “inherit” liabilities created by the concessionaire.

# **APPENDIX A**

## **ENVIRONMENTAL LAWS, REGULATIONS, AND EXECUTIVE ORDERS**

This appendix addresses primary laws, regulations, and Executive orders. Managers must understand how each law affects the organization's operations and must take the necessary steps to fully comply with the associated obligations. This appendix identifies some of the major elements of laws and flags certain responsibilities of the area manager. The material presented here is by no means complete; it is only an overview.

### **CLEAN AIR ACT, AS AMENDED**

The Clean Air Act (CAA) is set out in six titles: Title I—Air Pollution Prevention and Control, Title II—Emission Standards for Mobile Sources, Title III—General Provisions, Title IV—Acid Deposition Control, Title V—Permits, and Title VI—Stratospheric Ozone Protection. Federal CAA regulations are set forth at 40 CFR Parts 50-99. The CAA statute is found at 42 U.S.C. Section 7401 et seq.

Since 1967, the CAA has evolved from a set of principles to guide States in controlling sources of air pollution to a series of detailed control requirements that the Federal Government implements and the States administer.

The purposes of the CAA are to prevent and control air pollution, to initiate and accelerate research and development, and to provide technical and financial assistance to State and local governments in connection with the development and execution of air pollution programs. The act establishes requirements for areas failing to attain National Ambient Air Quality Standards (NAAQS). It provides for prevention of significant deterioration of areas where air is cleaner than required by NAAQS.

The CAA has historically regulated air pollution sources through three primary programs: (1) ambient air quality regulations of new and existing sources through emission limits contained in State implementation plans; (2) more stringent control technology and permitting requirements of new sources, and (3) specific pollution problems, including hazardous air pollution and visibility impairment.

The 1990 amendments to the CAA not only modified these three programs, but also addressed new air pollutants and added a fourth category—a Comprehensive Operating Permit Program. The Comprehensive Operating Permit Program helps to establish, in one place, all CAA requirements that apply to a given stationary source of air emissions.

Civil penalties for a violation can be up to \$25,000 per day per violation. Criminal penalties for an offense can be up to \$50,000 per day per violation and/or up to 2 years in jail. Criminal violations causing or knowing endangerment to human life can be punished with a fine up to \$250,000 per violation and/or 15 years in jail.

Federal facility responsibilities under the CAA include:

- Obtaining necessary permits.
- Maintaining emissions within permitted levels.
- Complying with State Implementation Plan requirements.
- Managing facilities with asbestos-containing material and removing asbestos-containing material in conformance with the Air Toxics Program.
- Ensuring that all chlorofluorocarbon recovery and recycling equipment is certified to EPA standards and that venting prohibitions are maintained.
- Ensuring that all chlorofluorocarbon technicians attend EPA-certified training courses.
- Complying with applicable Federal controls on mobile sources and their fuel.
- Developing Risk Management Plans, when required.
- Maintaining all required records and documentation.
- Managing facility construction and modification.

## **COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT**

Regulations addressing environmental cleanup and response are in 40 CFR Parts 300-311, 355, and 373.

CERCLA, also known as the Superfund, was enacted in 1980 and amended in 1986. CERCLA's areas of major emphasis are cleanup of inactive hazardous waste sites and the liability for cleanup costs on arrangers and transporters of hazardous substances and on current or former owners of facilities where hazardous substances were disposed. CERCLA gives the President of the United States authority to clean up these sites under what may be generically called its "removal" or "remedial" provisions. CERCLA's implementing regulations, the National Oil and Hazardous Substances Pollution Contingency Plan, detail the procedures and standards that must be followed in remediating these sites. For more information on the National Oil and Hazardous Substances Pollution Contingency Plan, see E.O. 12580.

CERCLA identifies the classes of parties liable for the cost of responding to releases of hazardous substances. In addition, CERCLA contains provisions specifying when releases of hazardous substances must be reported and the procedures to be followed for the cleanup of Federal installations. E.O. 12580, Superfund Implementation, delegates the President's CERCLA authorities to the heads of various Federal agencies. E.O. 12580 delegates most response authorities to the EPA and the U.S. Coast Guard. However, authority to address

releases at Federal facilities is generally delegated to the head of the Federal agency with jurisdiction over the Federal facility. The E.O. requires agencies to assume certain duties, such as participating on national or regional response teams and providing opportunity for public comment before a remedial action plan is adopted.

The purposes of CERCLA are to provide funding and authority for agencies to respond to hazardous substance spills and to remediate wastes sites.

Civil penalties for violation can be up to \$25,000 per day per violation for specified provisions of the act. Civil liability can include the costs of cleaning up a waste site. Damage to natural resources can be assessed for up to \$50 million.

For criminal violations, fines up to \$250,000 or prison terms of up to 3 years or both can be imposed for failing to notify appropriate agencies of a hazardous substance spill or for falsely reporting a spill. Subsequent violations can result in up to 5 years in jail.

Federal facility responsibilities under CERCLA include:

#### *Hazardous Substance Release*

- Manage hazardous substances properly to avoid spills and releases.
- Report hazardous substance releases to the National Response Center.
- Establish necessary contracts, cooperative agreements, or interagency agreements to conduct cleanup activities.

#### *Cleanup Activities*

- Conduct site investigations, assessments, and cleanup actions.
- Perform required community relations activities throughout the cleanup process.
- Implement operation and maintenance activities.
- Negotiate and maintain cleanup schedules in conformance with interagency agreements.
- Conduct 5-year reviews of remedial actions.
- Maintain institutional controls, such as land and water use restrictions.

#### *Property Transfer and Disposal*

- Identify “uncontaminated” property with concurrence of EPA or the State, as appropriate.
- Provide notification to States of certain leases.

- Provide notice of storage, release, or disposal of hazardous substances as required by 40 CFR Part 373.
- Warrant that all necessary remedial action has been taken.
- Warrant that the United States will conduct any response or corrective action found necessary after the date of sale or transfer.
- Retain access rights to the property for purposes of conducting required response action or corrective action.

## **DEPARTMENT OF TRANSPORTATION ACT OF 1966**

This act is Public Law (P.L.) 89-670, 80 Stat. 931, 49 U.S.C. Section 303. It restricts the use of parklands for federally supported highways and other projects requiring Department of Transportation approval. Section 4(f) of this law mandates that no project that requires use of land from public parks, recreation areas, or wildlife or waterfowl refuges of National, State, or local significance will be approved unless there is no feasible or prudent alternative and all possible planning is done to minimize the harm to such an area.

## **EMERGENCY PLANNING AND COMMUNITY RIGHT-TO-KNOW ACT**

This statute can be found at 42 U.S.C. Section 11001 et seq. The implementing regulations are found in 40 CFR Parts 302, 355, 370, and 372.

The Emergency Planning and Community Right-to-Know Act (EPCRA), also known as Title III of the Superfund Amendments and Reauthorization Act, was enacted on October 17, 1986. EPCRA requires States to establish a process for developing local Chemical Emergency Preparedness Programs and to receive and disseminate information on hazardous chemicals present at facilities within local communities.

Federal facilities are responsible for notifying the State Emergency Response Commission if a facility is producing, using, or storing any extremely hazardous substances in amounts equal to or greater than the established threshold planning quantity.

Executive Order 12856, Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements, requires Executive Branch agencies with facilities meeting the EPCRA definition of “facility” to comply with all provisions of EPCRA.

## **ENDANGERED SPECIES ACT OF 1973, AMENDED IN 1979, 1982, AND 1988**

The Endangered Species Act (ESA) provides a framework for the protection of endangered and threatened species. It requires Federal agencies to ensure that any action authorized, funded, or

carried out does not jeopardize the continued existence of any endangered or threatened species or result in the destruction or adverse modifications of critical habitat. Section 7 requires all Federal agencies to consult with Interior and to

*. . .ensure that any action authorized, funded or carried out by such agency(ies) . . .not likely to jeopardize the continued existence or destruction or adverse modification of habitat of such species which is . . .critical.*

Under ESA, all Federal agencies must also use their authorities, as appropriate, to promote the recovery of listed species. In addition, the ESA prohibits all persons, including Federal agencies, from harming or killing (“taking”) individuals of a listed animal species without authorization.

While Federal agencies must consult with the U.S. Fish and Wildlife Service or National Marine Fisheries Service when their activities may affect listed species, projects cannot be stopped unilaterally by the U.S. Fish and Wildlife Service or National Marine Fisheries Service. However, for any anticipated “take,” applicable measures to minimize the take developed in the consultation must be followed.

## **ENERGY POLICY ACT OF 1992**

The Energy Policy Act includes a wide variety of energy mandates that are intended to enhance United States energy security, reduce energy-related environmental effects, and encourage long-term economic growth. Major provisions establish important new energy efficiency standards, allow greater competition in electricity generation, establish new licensing procedures for nuclear plants and waste repositories, and provide tax incentives for domestic energy production and conservation.

## **FEDERAL FACILITY COMPLIANCE ACT OF 1992**

This act provides that all Federal agencies and employees are subject to all Federal, State, and local solid and hazardous waste laws.

The act expressly waives any immunity applicable to the United States. At all levels of Government, Federal facilities are subject to the same enforcement standards as private individuals. All penalties that can be used at the Federal, State, or local level against a private party can be used against a Federal facility.

The act explicitly extends the waiver to include injunctive relief, administrative order, civil or administrative penalty or fine, and any reasonable service charge. Federal, State, or local regulatory agencies can impose reasonable service charges on Federal facilities to handle permits, reviews, and inspections.

Federal, State, and local regulatory agencies may take action under this statute.

Federal employees are subject to criminal penalties for violation of Federal and State hazardous and solid waste laws.

## **FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT**

The statute can be found at 7 U.S.C. 21 136 et seq. Federal pesticide regulations are set forth in 40 CFR Parts 150-189.

The Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) regulates the sale and use of pesticides in the United States. FIFRA, as it was originally enacted in 1947, required that pesticides distributed in interstate commerce be registered with the U.S. Department of Agriculture and established a rudimentary set of labeling provisions. The Federal Environmental Pesticide Control Act amended FIFRA in 1972. In 1970, with the formation of EPA, responsibility for administering FIFRA transferred from the U.S. Department of Agricultural to EPA.

FIFRA's enforcement efforts focus on the distribution and use (which includes disposal) of pesticides.

The prime duty of the user is to comply with all use instructions on the pesticide label or accompanying labeling. Failure to follow label directions is dangerous and illegal.

A pesticide is defined as any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest and any nitrogen stabilizer substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

The Congress enacted amendments to FIFRA in 1975, 1978, 1980, 1988, and 1996. Elements of FIFRA are implemented by regulations for registration and re-registration of pesticides, pesticide usage, removal of unsafe pesticides from the market, administrative and judicial reviews, protection of workers, and exports and imports.

Federal facility responsibilities under FIFRA include:

- Properly following labeling instructions.
- Ensuring that applicators are properly trained and, where necessary, certified to use restricted-use pesticides and are using appropriate personal protective equipment.
- Properly managing pesticide storage facilities.
- Disposing of pesticide residues and waste in accordance with required and recommended procedures.
- Maintaining records of pesticide applications.

## **FEDERAL WATER POLLUTION CONTROL ACT (COMMONLY REFERRED TO AS THE CLEAN WATER ACT)**

Regulations addressing clean water are found at 40 CFR Parts 100-136, 140, 230-233, 401-471, and 501-503. This statute can be found at 33 U.S.C. Section 1251 *et seq.*

The major sections of the Clean Water Act (CWA) are Effluent Limitations (Section 301); Water Quality Related Effluent Limitations (Section 302); Water Quality Standards (Section 303); Toxic and Pretreatment Effluent Standards (Section 307); Records, Reports, and Inspections (Section 308); Enforcement (Section 309); Oil and Pollution Control (Section 313); Non-Point Source Management Programs (Section 319); State Certification of Federal Licenses or Permits (Section 401); National Pollutant Discharge Elimination System Programs (Section 402); Ocean Discharge Criteria (Section 403); Permits for Dredged or Fill Material (Section 404); and Disposal or Use of Sewage Sludge (Section 405).

Regulations of interest to Federal facilities include the National Pollutant Discharge Elimination System Programs; Toxic Pollutant Effluent Standards; Water Quality Standards; Secondary Treatment; Great Lakes Requirements; Permits for Dredged or Fill Material; General Provisions for Effluent Guidelines and Standards; General Pretreatment Regulations; and the SPCC Plans.

CWA is the primary Federal statute regulating the protection, restoration, and maintenance of the “chemical, physical, and biological integrity of the Nation’s waters.” CWA was enacted in 1972 in response to nationwide water pollution issues and was amended in 1977 and 1987.

Section 311 of CWA was amended by the Oil Pollution Act of 1990, which has its own separate regulation and enforcement scheme. CWA established national programs for the prevention, reduction, and elimination of pollution in navigable water and groundwater. It establishes effluent limitation for new and existing industrial discharge into United States waters. CWA authorizes States to substitute their own water quality management plans developed under section 208 of the act for Federal controls. It provides an enforcement procedure for water pollution abatement. It requires conformance to permit required under section 404 for actions that may result in discharge of dredged or fill material into a tributary, wetland, or associated water source for a navigable river. It also setup a water quality standards program and required permits for discharge and treatment of waste water and storm water.

CWA principal objectives are to:

- Prohibit discharges of pollutants into United States navigable waters, except in compliance with a permit.
- Achieve an interim goal of protecting water quality that, whenever attainable, provides for the protection and propagation of shellfish, fish, and wildlife, and provides for recreation in and on the water.

To achieve its objectives, CWA authorizes the EPA and the States to regulate, implement, and enforce compliance with guidelines and standards to control the direct and indirect discharge of pollutants into United States waters.



Civil penalties for a violation can be up to \$25,000 per day of noncompliance, plus the cost of restoring or replacing damaged natural resources. A criminal penalty for a first offense is \$2,500 to \$50,000 per day per violation or imprisonment of up to 6 years or both. Violators who know that they are placing someone in imminent danger of death or serious bodily injury can be fined up to \$250,000 or imprisoned for up to 15 years or both.

Federal facility responsibilities under CWA include:

- Obtaining a National Pollutant Discharge Elimination System permit and managing direct discharges in compliance with permit conditions.
- Managing discharges to a publicly owned treatment works in accordance with established Federal, State, and local pretreatment standards.
- Managing domestic treatment works in accordance with sludge requirements.
- Applying for section 404 dredge and fill permits for construction and development projects.
- Monitoring, recording, and reporting pollutant effluent concentrations.
- Developing, implementing, and maintaining storm water Pollution Prevention Plans and obtaining necessary permits.
- Developing Spill Prevention, Control, and Countermeasure Plans.

## **HAZARDOUS MATERIALS TRANSPORTATION ACT OF 1974, AMENDED IN 1994**

This act regulates the labeling, packaging, emergency response, and spill reporting provisions for hazardous materials in transit and stipulates that shippers must certify that they are in compliance with Department of Transportation regulations. When EPA-regulated hazardous wastes are shipped, they must be accompanied by a manifest.

## **MARINE MAMMAL PROTECTION ACT OF 1972**

The Marine Mammal Protection Act (MMPA) prohibits the “taking” and import of marine mammals and marine products by people and vessels under United States jurisdiction, unless a specific permit for taking is granted by the Federal Government. Unless for research purposes, permits will not be granted for species designated as “depleted.” Coastal indigenous Alaskans are exempted from the requirements of MMPA. The Departments of Commerce and the Interior are responsible for administering MMPA.

## **MARINE PROTECTION, RESEARCH, AND SANCTUARIES ACT OF 1972**

This act, commonly known as the Ocean Dumping Act, establishes policy to regulate ocean dumping and to prevent or strictly limit ocean dumping of any material that would adversely affect human health, welfare, or amenities, or the marine environment, ecological systems, or economic potentialities. Titles I and II of this act deal with ocean dumping and have little relation to most Reclamation activities. Title III allows designation of proposed marine sanctuaries in the region as well as the desirability of establishing marine sanctuaries where appropriate. Section 103 authorizes the Corps of Engineers to issue permits for the transportation of dredged material for the purpose of dumping into ocean waters.

## **NATIONAL ENVIRONMENTAL POLICY ACT OF 1969**

P.L. 91-190, 42 U.S.C. Section 4321 et seq.

The NEPA statute is P.L. 91-190, found at 42 U.S.C. Section 4321 et seq. NEPA regulations are set forth in 40 CFR Parts 1500-1508.

NEPA is the basic national charter for environmental protection. It establishes policy, sets goals, and provides a means for carrying out the policy. It contains an “action-forcing” provision to ensure that Federal agencies act according to the letter and spirit of the law. The act requires a systematic analysis of major Federal actions that considers all reasonable alternatives, as well as an analysis of short-term and long-term, irretrievable and irreversible, and unavoidable impacts. It also establishes the Council on Environmental Quality (CEQ).

Since its enactment on January 1, 1970, NEPA has ensured that Federal agency decisionmaking takes environmental factors into consideration. NEPA is generally only applicable to Federal agencies and Federal actions; however, State, local, and private entities need to comply with NEPA when they are involved in Federal actions. For example, State, local, and private actions that involve Federal funding or permits may trigger NEPA requirements.

NEPA was enacted to (1) encourage harmony between people and the environment, (2) promote efforts to prevent or eliminate damage to the environment, and (3) enrich the understanding of ecological systems and natural resources.

NEPA is divided into two titles: Title I – Congressional Declaration of National Environmental Policy and Title II – Council on Environmental Quality. Under NEPA Title I, section 102, Federal agencies are required to incorporate environmental considerations into planning and decisionmaking through a systematic interdisciplinary approach. Section 102 requires Federal agencies to prepare detailed statements assessing the environmental impact of, and alternatives to, major Federal actions that may significantly affect the environment. These detailed statements are referred to as EISs. NEPA’s effectiveness has been attributed to the EIS requirement.

Under Title II, the CEQ was established to oversee the administration of NEPA and to ensure that Federal agencies comply with NEPA requirements. In 1978, the CEQ developed regulations implementing NEPA that are binding on all Federal agencies. These regulations cover the procedural requirements of NEPA and the preparation of an EIS.

The CEQ has several responsibilities in overseeing the administration of NEPA, including:

- Developing regulations and other guidance to assist Federal agencies with NEPA compliance.
- Resolving lead agency disputes during the EIS process.
- Providing Federal agencies with training and advice to encourage NEPA compliance.
- Mediating disputes between Federal agencies regarding environmental policy.

Although the CEQ is responsible for developing the regulations for preparing an EIS, EPA is responsible for reviewing all EISs for environmental quality and for filing all EISs in the *Federal Register*.

Federal facility responsibilities under NEPA include:

- Evaluating all Federal actions to determine applicability of NEPA, including submitting categorical exclusion or finding of no significant impact documentation to denote where actions are not significant, as appropriate.
- Preparing environmental assessments and EISs.
- Developing and submitting a ROD to address the EIS findings and provide project alternatives and mitigation measures.
- Submitting plans to State or local agencies.
- Ensuring public participation in the NEPA process.

## **NATIONAL HISTORIC PRESERVATION ACT OF 1966, AMENDED 1992**

The National Historic Preservation Act (NHPA) preserves, for public use, historic and cultural sites of national significance by establishing an advisory council to help the Government administer the NHPA, the *National Register of Historic Places*, and the National Trust for Historic Preservation. The National Trust for Historic Preservation has authority to receive and administer donated funds and historic properties. Federal authority can be delegated to State Historic Preservation Officers. Agencies are required to appoint an agency preservation officer, preserve all historic properties they own or control, notify Interior of projects that will cause the loss of significant historic materials, and request preservation assistance from Interior.

## **NOISE CONTROL ACT OF 1972, AMENDED IN 1978**

The Noise Control Act (NCA) requires EPA to establish noise emission standards for products that are major noise sources (e.g., construction equipment, transportation devices, motors, engines, and electrical or electronic equipment). Stationary sources on Federal facilities are subject to Federal, State, and local noise ordinances, unless the President of the United States grants an exception. NCA was amended by the Quiet Communities Act of 1978.

## **OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, HAZARD COMMUNICATION STANDARDS**

Federal law guarantees the rights of employees to know about the chemical hazards present in their workplace. These rights are protected by a national standard created by the Occupational Safety and Health Administration (OSHA) called the Hazard Communication Standard. OSHA developed the Hazard Communication Standard in response to the growing number of organizations using hazardous chemicals. Exposure to hazardous chemicals can cause serious health problems and pose potentially dangerous situations in the workplace. It is important to understand that hazard communication does not apply to hazardous wastes, but rather to hazardous products or raw materials.

Employees right-to-know begins by requiring chemical manufacturers to assess the hazards posed by the substances they produce. Manufacturers must supply this hazard information to their purchasers by including a MSDS with each substance sold. The MSDS must have the identity of all hazardous chemicals included in the product, along with the physical and chemical characteristics and health hazards posed by the chemicals.

Under the Hazard Communication Standard requirement, each Reclamation area must create a written program, which identifies, among other things, the hazardous chemicals found on-site and the methods to be used to communicate these hazards to employees. Each area must comply with standards for labeling containers of hazardous substances. Each area must also maintain MSDSs at convenient places in the facility for easy access by all employees involved in working with hazardous materials.

The Hazard Communication Standard is a performance-oriented rule. Almost all of the requirements are stated in terms of objectives to be achieved rather than methods or means an employer needs to use to achieve those objectives. For example, areas may educate their employees in any manner they see fit, as long as the employees are informed of the necessary information. There is no mandated way to train employees, but they must demonstrate the appropriate work habits whenever working with hazardous chemicals. This usually entails wearing protective clothing, safely handling chemicals, and knowing the appropriate response actions for accidental releases or spills.

OSHA also has specific container and other safety regulations that are similar to EPA's RCRA regulations for wastes. These regulations prohibit open containers of flammable substances.

Responsibilities under the Hazard Communication Standard include:

- Request MSDSs with every product. Do not accept any product sample without an accompanying MSDS.
- Review MSDSs and understand what chemicals are being brought into the area and what health and safety problems they may pose.
- Make sure all containers of hazardous materials are labeled and the MSDS can be found easily in an emergency.
- Organize all MSDSs by work area and make them available to all employees; post for easy visibility and access.
- Develop a Hazard Communication Training Plan as part of the area's Chemical Hazard Communication Program (employees right-to-know).
- Establish a hazard communication training session for all employees who handle hazardous wastes.
- Keep records of when each employee is trained and exactly what the training context was.
- Keep all records for at least 5 years.

## **RESOURCE CONSERVATION AND RECOVERY ACT**

RCRA can be found at 42 U.S.C. Section 6901 et seq. and in 40 CFR Parts 240-282.

Subtitle A	General Provisions
Subtitle B	Authorities
Subtitle C	Hazardous Waste Management
Subtitle D	State or Regional Solid Waste Plans
Subtitle F	Federal Responsibilities
Subtitle G	Miscellaneous Provisions
Subtitle I	Underground Storage Tanks

RCRA provides “start-to-finish” control of solid and hazardous waste by establishing management requirements on generators and transporters of hazardous waste and on owners and operators of hazardous waste treatment, storage, and disposal facilities. The Hazardous and Solid Waste Amendments and the Federal Facility Compliance Act (FFCA) have amended RCRA. RCRA applies mainly to active facilities, although through section 7003, it can address the serious problem of abandoned and inactive facilities.

Subtitle C of RCRA was enacted in 1976, replacing the Solid Waste Disposal Act and the Resource Recovery Act. Subtitle C (RCRA Section 3001-3023) establishes the national hazardous waste management program. This includes the identification and listing of hazardous

wastes; standards applicable to generators and transporters and to owners and operators of hazardous waste treatment, storage, and disposal facilities; and provisions for permitting, inspections, and enforcement. Most States have been authorized to implement some or all of RCRA Subtitle C program.

In 1984, the Congress enacted the Hazardous and Solid Waste Amendment, which among other things, added Subtitle I to RCRA. Subtitle I was enacted to address leaking underground storage tanks and requires EPA to establish standards for tanks installed both before and after passage of the new requirements. These standards cover underground storage tank design, operation, cleanup, administration, and closure. RCRA underground storage tank provisions can be found at 42 U.S.C. Section 6991 et seq. and in 40 CFR Parts 240-242.

In 1992, FFCA was passed to clarify that Federal agencies must comply with solid and hazardous waste management requirements and that Federal agencies are subject to enforcement provisions of RCRA. Federal facilities were subject to RCRA provisions before the 1992 amendment, but FFCA clarified that Federal facilities are subject to penalties and EPA administrative enforcement orders. The Congress intended FFCA to confirm the Federal Government's obligation to comply with all solid and hazardous waste provisions at all sites and to ensure Federal facility compliance with all Federal, State, interstate, and local solid and hazardous waste requirements.

In achieving this goal, FFCA has three major impacts: (1) the expanded waiver of sovereign immunity of the Federal Government with respect to all Federal, State, interstate, and local enforcement; (2) new management and reporting requirements with respect to mixed waste; and (3) identification of circumstances under which conventional and chemical military munitions are and are not considered to be a waste for regulatory purposes under RCRA.

The FFCA grants explicit authority to EPA to use enforcement authorities provided in RCRA against any department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government that is in violation of RCRA.

Some principal effects of FFCA are to subject Federal agencies to RCRA civil penalties and confirm that Federal employees are personally liable for RCRA criminal violations.

Civil penalties can be up to \$25,000 per day per violation. Criminal penalties can be up to \$50,000 per day or 2 years in jail or both. Violations causing a "knowing endangerment of human life" can be punishable by a fine of up to \$250,000 or a 15-year sentence or both.

Federal facility responsibilities under RCRA include:

- Identifying, characterizing, and labeling hazardous waste.
- Obtaining an EPA identification number (identification numbers are required for all handlers, including generators, transporters, and burners or blenders and for treatment, storage, and disposal facilities).
- Managing and taking inventory of hazardous waste to determine generator status.

- Complying with all permit conditions.
- Manifesting hazardous waste for off-site disposal and filing exception reports.
- Completing land disposal restriction notification and certification.
- Ensuring that off-site treatment, recycling, and disposal procedures meet land disposal restrictions.
- Shipping waste to approved treatment, storage, and disposal facilities within time limits mandated by the generator requirements.
- Maintaining required records and documentation.
- Developing a program to minimize waste generation.
- Reimbursing EPA and its agents for inspection costs.
- Cooperating during RCRA inspections.
- Submitting to EPA a mixed waste inventory capacity report.
- Submitting treatment capacity and technology plans.
- Submitting yearly progress reports on compliance with mixed waste requirements.
- Notifying EPA of intended exports of hazardous waste and filing an annual report summarizing exports of hazardous waste during the previous calendar year.
- Registering underground storage tanks with the appropriate State authority.
- Ensuring proper installation of tanks to meet new tank standards.
- Performing release detection on most types of tanks, either annually or with the aid of automatic equipment.
- Responding to spills and leaks, including proper notification.
- Performing corrective actions (cleanups) where releases have occurred.
- Properly closing tanks to avoid future site issues.
- Complying with all applicable Federal, State, and local laws and regulations concerning the construction of new underground storage tanks.

Hazardous waste generators fall under three categories:

1. Conditionally Exempt Small Quantity Generators generate no more than 220 pounds (half of a 55-gallon drum) of solid hazardous waste and no more than 2.2 pounds of acutely hazardous waste in any month during the reporting year (40 CFR Parts 262 through 266, 268 and 270) (Handbook for Hazardous Waste Management, Reclamation, 1998).
2. Small Quantity Generators generate more than 220 and less than 2,200 pounds of solid hazardous waste and no more than or 2.2 pounds of acutely hazardous waste in any month during the reporting year (40 CFR 265, Subpart I) (Handbook for Hazardous Waste Management, Reclamation, 1998).
3. Large Quantity Generators generate at least 2,200 pounds of solid hazardous waste or more than 2.2 pounds of acutely hazardous waste in any month during the reporting year (40 CFR 265, Subpart J) (Handbook for Hazardous Waste Management, Reclamation, 1998).

The number of RCRA requirements with which generators must comply depends on their generator status. Generator status may vary with State regulations.

State and local laws may supplement the Federal RCRA requirements. Since 1992, with the passage of FFCA, any local and State hazardous waste laws and regulations apply to Reclamation, because the Congress expressly waived sovereign immunity in this area. This waiver did not address local and State laws and regulations pertaining to hazardous materials (the handling and storage of product materials). However, by E.O. 12856, Federal facilities are required to comply with the Emergency Planning and Community Right-to-Know Act and are “encouraged” to comply with these local versions of “community right-to-know” laws. The distinction between the congressional waiver and the E.O. mandate is important relative to the ability of the State and local regulatory agencies to assess fees against the Federal Government for these programs and their ability to take enforcement actions (including fines and penalties). This discussion is not relevant to the application of these laws to concessionaires because Federal sovereign immunity does not extend to their operation even though it occurs on Federal land. Therefore, concessionaires are required to comply fully with RCRA. There is no congressional waiver of sovereign immunity for State and local health and safety requirements.

## **RIVERS AND HARBORS ACT OF 1899**

This act establishes Army Corps of Engineers (Corps) regulatory authority over United States navigable waters. It establishes permit requirements for the construction of bridges, causeways, dams, or dikes within or over navigable waters of the United States. The Transportation Secretary regulates bridge and causeway construction and the Corps reviews dam and dike permits. Section 10 requires a Corps permit for construction of any “obstruction of navigable waters” of the United States, and for any excavation, fill, or other modification to navigable waters. Section 13 requires a Corps permit for discharge of refuse of any kind (except liquid



from sewers or urban runoff) from land or vessel into the navigable waters of the United States or into their tributaries. Similarly, discharge of refuse is prohibited upon the banks of navigable waters or their tributaries where the refuse could be washed into the water.

## **SAFE DRINKING WATER ACT**

The statute can be found at 42 U.S.C. Section 300f et seq. Regulations addressing the Safe Drinking Water Act (SDWA) are found in 40 CFR Parts 141-149.

SDWA was enacted in 1974 because safe drinking water is essential to public health. SDWA has been amended five times since it was originally enacted. The latest reauthorization took place in August 1996. SDWA directs EPA to set goals for the level of contaminants in drinking water and establishes standards requiring water supply system operators to come as close as possible to meeting those goals by using the best available technology that is economically and technologically feasible.

SDWA directs EPA to develop (1) national primary drinking water regulations that incorporate maximum contaminant level goals and maximum containment levels or treatment techniques and (2) underground injection control regulations to protect underground sources of drinking water. SDWA also authorizes sole-source aquifer demonstration projects and sets forth procedures for establishing State well head protection area programs.

SDWA protects public drinking water systems from harmful contaminants and underground sources of drinking water from improper underground injection. Its principal objectives are to:

- Protect human health and ensure the aesthetic quality of drinking water.
- Protect underground sources of drinking water.
- Establish programs to protect sole-source aquifer and well head protection areas.

Federal facility responsibilities under SDWA include:

- Complying with all primary drinking water regulations and applicable underground injection control requirements.
- Notifying people served by a public water system if the system fails to meet primary drinking water standards.
- Ensuring that only lead-free pipes are used in either the installation or repair of a public water system.
- Consulting with any State, municipal, or local government if that area is preparing a management plan to participate in the sole-source Aquifer Demonstration Program.
- Complying with all State program requirements.

- Ensuring an adequate supply of chemicals for treatment of water.
- Complying with EPA inspections.

## **SOLID WASTE DISPOSAL ACT**

The act, P.L. 89-272, requires Federal agencies having jurisdiction over any real property to ensure compliance with solid waste disposal.

## **TOXIC SUBSTANCES CONTROL ACT**

The Toxic Substances Control Act (TSCA) can be found at 15 U.S.C. Section 2601 et seq. TSCA regulations are codified in 40 CFR Parts 700-799, with Part 745 detailing lead hazard reduction regulations and Part 761 detailing management requirements for polychlorinated biphenyls (PCBs). Part 761 provides the definition of storage, disposal, cleanup policy, exemptions, general recordkeeping, and reporting requirements for PCBs.

The TSCA was enacted in 1976 to regulate commerce and protect human health and the environment by requiring testing of and establishing use restriction on certain potentially hazardous chemicals.

The TSCA contains four titles:

Title I (Section 6) – Control of Toxic Substances – EPA banned the manufacture (production and importation) of PCBs and promulgated rules on PCB disposal and marking. Additional rules were developed on inspections, storage, and use of transformers. In addition to PCBs, more than 60,000 chemical substances are subject to Title I requirements.

Title II – Asbestos Hazard Emergency Response – requires inspection of schools for all suspected asbestos-containing building materials and development of management plans and requires that people performing certain asbestos-related activities be trained and accredited.

Title III – Indoor Radon Abatement – establishes the national long-term goal of having indoor radon levels equal to or less than radon levels in ambient outside air.

Title IV – Lead Exposure Reduction – EPA-promulgated rules governing training, accreditation, and certification requirements for individuals engaged in lead-based paint activities. Regulations also set work practice standards for lead-based paint activities to ensure that they are performed effectively, reliably, and safely.

Civil penalties can be up to \$25,000 per day per violation. Criminal penalties can be up to \$25,000 for each day of violations or a jail sentence of up to 1 year or both.

Federal facility responsibilities under TSCA include:

- Marking and labeling of certain PCBs and PCB-containing equipment.
- Properly storing, packaging, importing, and disposing of PCBs and PCB-containing equipment.
- Preparing and maintaining annual document logs for facilities managing over 45 kilograms (99.4 pounds) of PCBs, one or more PCB transformers, or 50 or more PCB high- or low-voltage capacitors.
- Preparing and maintaining PCB disposal manifests, certificates of destruction, and exception reports.
- Complying with minimum training standards for personnel engaged in asbestos abatement activities as established in the Model Accreditation Plan.
- Conducting an inventory and assessment of asbestos-containing material at the facility.
- Properly handling, storing, transporting, and disposing of asbestos.
- Conducting lead abatement projects using properly trained and certified contractors in conformance with documented methodologies appropriate to lead-based paint activities.
- Conducting proper training and licensing before performing lead-related activities.
- Measuring radon levels within buildings and mitigating unsafe exposure.
- Maintaining records and documentation.
- Providing disclosure at time of sale or lease of residential properties built before 1978.

## **WATER RESOURCES PLANNING ACT OF 1965 AND THE WATER RESOURCE COUNCIL'S PRINCIPLES AND STANDARDS**

This act states a national policy “to encourage the conservation, development, and utilization of water and related land resources on a comprehensive and coordinated basis by the Federal Government, States, localities, and private enterprises with the cooperation of all affected Federal agencies, States, local governments, individual, corporations, business enterprises, and others concerned.” It establishes the Water Resources Council, with responsibility for assessing the adequacy of water supplies, studying the administration of water resources, and developing principles, standards, and procedures for Federal participants in the preparation of comprehensive regional or river basin plans. The act establishes the framework for Federal and

State cooperation through a series of river basin commissions. The Water Resource Council's Principles and Standards for Planning for Water and Related Land Resources have been revised to achieve national economic development and environmental quality objectives.

## **EXECUTIVE ORDERS**

The President of the United States uses his powers to direct specific actions through Executive orders. Several such orders affect environmental management at Federal facilities, including those orders listed below.

**Executive Order 11752**—Prevention, Control, and Abatement of Environmental Pollution at Federal Facilities.

**Executive Order 11988**—Floodplain Management.

This E.O. requires Federal agencies to avoid, to the extent possible, the long- and short-term adverse impacts associated with the occupancy and modification of floodplains, and to avoid direct and indirect support of floodplain development wherever there is a practicable alternative. It directs all Federal agencies to avoid, if possible, development and other activities in the 100-year (or base) floodplain. Existing structures or facilities in such areas needing rehabilitation, restoration, or replacement will be subject to the same scrutiny as new facilities or structures. In the case of historic structures, this scrutiny will be but one factor in determining their preservation. Highly significant and irreplaceable records, historic objects, structures, or other cultural resources may not be located in the 500-year floodplain. In addition, structures such as clinics, hazardous materials storage facilities, major fuel storage facilities, and 40,000-gallon-per-day or larger sewage treatment facilities will not be build within the 500-year floodplain.

**Executive Order 11990**—Protection of Wetlands.

This E.O. requires Federal agencies to avoid, to the extent possible, the long- and short-term adverse impacts associated with the destruction or modification of wetlands and to avoid direct or indirect support of new construction in wetlands wherever there is a practicable alternative.

Interior issued guidelines in 520 DM on June 20, 1979, to implement E.O.s 11988 and 11990.

**Executive Order 12843**—Procurement Requirements and Policies for Federal Agencies for Ozone Depleting Substances (April 21, 1993).

**Executive Order 12844**—Federal Use of Alternative Fueled Vehicles (April 21, 1993).

**Executive Order 12845**—Purchasing Energy Efficient Computer Equipment (April 21, 1993).

**Executive Order 12856**—Federal Compliance With Right-to-Know Laws and Pollution Prevention Requirements (August 3, 1993).

**Executive Order 12873**—Federal Acquisition, Recycling, and Waste Prevention (October 20, 1993).

This E.O. requires both individual areas and concessionaires to reduce waste generation directly and, through a program of thoughtful procurement, to further reduce waste and, where feasible, to encourage recycling businesses by using their products. The EPA is charged with identifying sources and leading this program.

**Executive Order 12898**—Federal Actions to Address Environmental Justice.

**Executive Order 13123**—Energy Efficiency and Water Conservation at Federal Facilities (June 3, 1999).

This E.O. provides for Federal facility managers to reduce energy consumption by 30 percent by the year 2005 based on energy consumption per-gross-square-foot of building area and a base year of 1985. The reduction mandate also applies to all Government-owned, contractor-operated facilities. Each agency is responsible for developing an implementation program to ensure this goal is met. Energy and water surveys must be conducted on all Federal facilities within 18 months of the date of the order. The surveys will be used to establish priorities for conducting comprehensive facility audits. The E.O. also promotes the use of innovative financing mechanisms, such as “shared energy savings contracts,” to augment appropriations. Under a shared energy savings contract, the contractor incurs the cost of implementing the energy savings measures (including the audit, project design, and acquisition and installation of new equipment) in exchange for a share of the energy cost savings directly resulting from the implementation of such measures. The Department of Energy is directed to prepare a model solicitation and implementation guide for innovative funding mechanisms for use by other Federal agencies.

**Executive Order 12969**—Federal Acquisition and Community Right-to-Know (August 8, 1995).

**Executive Order 13148**—Greening the Government through Leadership in Environmental Management.

**Executive Order 13101**—Greening the Government through Waste Prevention, Recycling, and Federal Acquisition.

## **APPENDIX B**

### **CONCESSIONS REVIEW PROGRAM**

The Concessions Review Program will evaluate concessionaire compliance with the Environmental Management Standards included in this section. Along with this general standard, and to provide the input necessary to prepare the annual environmental rating, checklists should be developed for specific operations.

#### **GENERAL STANDARDS**

##### **Pollution Prevention and Environmental Protection**

The goal of environmental compliance and programs is to minimize all impacts to air, land, and water ecosystems. Reclamation and its concessionaires must conduct all business as responsible stewards of the environment to ensure unimpaired enjoyment by future generations. Particular attention is directed to compliance with environmental laws, those in effect and others as they are promulgated. The standards are separated into two levels of importance in measuring threats to human health and the environment, liability, and visitor experience: critical and important.

1. Hazardous wastes are properly identified and managed. (Critical)
2. An oil and hazardous substance spill contingency plan is in place; all employees are trained in first response procedures; Reclamation and appropriate regulatory authorities are notified of any spill or release of a hazardous substance. (Critical)
3. A hazardous waste minimization strategy is in place, reporting requirements are met, and progress is being made toward reduction goals. (Important)
4. Areas of contamination caused by or attributable to the concessionaire are cleaned up to the satisfaction of Reclamation and regulatory authorities. (Critical)
5. Hazardous materials inventories and use records are maintained and provided to Reclamation. Hazardous materials are stored and handled in a manner that minimizes the potential for spill or release. (Critical)
6. A solid waste minimization strategy is in place, waste generation information is provided to Reclamation, and progress is being made toward waste reduction goals. (Important)
7. An affirmative Procurement Program is in place to ensure that, where available, products containing recycled material, or that are environmentally preferable, are preferentially acquired. (Important)

8. Concessionaires will conserve energy and improve energy efficiency of operations. Every effort will be made to use environmentally safe and sustainable energy sources. The program to reduce overall energy consumption by 30 percent from base-year levels is documented and actively pursued. (Important)
9. Concessionaires follow the goals and objectives of the area's water conservation program. (Important)
10. Prior written approval of Reclamation supports implementation of any pesticide, herbicide, or vector control action. (Critical)
11. Sight, sound, and odor impacts to the environment and visitor experience are avoided when possible. (Important)
12. Care is exercised to avoid introduction of non-native biota, except as approved by the area manager. (Critical)
13. Concessionaires conduct recurring training for staff concerning the critical importance of pollution prevention and spill report procedures, emergency incident and spill response, water and energy conservation, and the concessionaire's role in stewardship of area lands and waters. Training of employees in emergency and spill response includes field exercises done in coordination with Reclamation. (Critical)
14. An employee incentive system is in place to reward employees for innovative or exemplary contributions toward prevention of pollution and to allocate some of the savings gained in energy and water conservation programs to staff members who produce those gains. (Important)
15. Planning and design for facilities are coordinated with the area manager, including application of sustainable design principles and Reclamation reviews and approvals. This may also include procedures imposed by Federal, State, county, or municipal regulations (e.g., NEPA, Historic Preservation Act [section 106], fire and safety, and building codes). (Critical)
16. Required environmental protection and pollution prevention facilities are in place or are in the process of being acquired, designed, or constructed with due diligence. Construction activities are conducted in a manner that prevents or minimizes pollutant emissions or discharges and protects public health and the environment. (Critical)

In addition to the forgoing standards, area managers may formulate and add elements to these standards to address conditions of local concern, such as those that may be limited to grease traps, hydraulic fluid lines, exotic seeds in animal feed, vector control, or laundry facilities.

A narrative section should accompany the above ratings. When the concessionaire exceeds standards, additional credit should be noted in the narrative.

It is recognized that several of these standards are technical, requiring knowledge and skills beyond the normal training provided to concession specialists. To implement these specific standards, training and the development of support materials must be provided to area personnel.



# APPENDIX C

## GUIDELINES FOR THE PREPARATION AND IMPLEMENTATION OF SPCC PLANS

[Code of Federal Regulations]

[Title 40, Volume 14, Parts 87 to 135]

[Revised as of July 1, 1999]

From the U.S. Government Printing Office via GPO Access

[CITE: 40 CFR 112.7]

### PART 112—OIL POLLUTION PREVENTION—Table of Contents

Sec. 112.7 Guidelines for the preparation and implementation of a Spill Prevention, Control, and Countermeasure (SPCC) Plan.

SPCC Plan shall be a carefully thought-out plan, prepared in accordance with good engineering practices. It shall have the full approval of management at a level with authority to commit the necessary resources. If the plan calls for additional facilities, procedures, methods, or equipment not yet fully operational, these items should be discussed in separate paragraphs and the details of installation and operational startup should be explained separately. The complete SPCC Plan shall follow the sequence outlined below and include a discussion of the facility's conformance with the appropriate guidelines listed:

- (a) A facility that has experienced one or more spill events within 12 months before the effective date of this part should include a written description of each spill, the corrective action taken, and the plans for preventing another spill.
- (b) Where experience indicates a reasonable potential for equipment failure (such as a tank overflow, rupture, or leakage), the plan should include a prediction of the direction, rate of flow, and the total quantity of oil that could be discharged from the facility as a result of each major type of failure.
- (c) Appropriate containment or diversionary structures or equipment to prevent discharged oil from reaching a navigable water course should be provided. One of the following preventive systems or its equivalent should be used as a minimum:
  - (1) Onshore facilities:
    - (i) Dikes, berms, or retaining walls sufficiently impervious to contain spilled oil.
    - (ii) Curbing.
    - (iii) Culverting, gutters, or other drainage systems.
    - (iv) Weirs, booms, or other barriers.
    - (v) Spill diversion ponds.

- (vi) Retention ponds.
  - (vii) Sorbent materials.
- (2) Offshore facilities:
- (i) Curbing or drip pans.
  - (ii) Sumps and collection systems.
- (d) When it is determined that the installation of structures or equipment listed in section 112.7(c) to prevent oil discharged from any onshore or offshore facility from reaching the navigable waters is not practicable, the owner or operator should clearly demonstrate such impracticability and provide the following:
- (1) A strong Oil Spill Contingency Plan that follows the provision of 40 CFR part 109.
  - (2) A written commitment of manpower, equipment, and materials required to expeditiously control and remove any harmful quantity of oil discharged.
- (e) In addition to the minimal prevention standards listed under section 112.7(c), sections of the plan should include a complete discussion of conformance with the following applicable guidelines and other effective spill prevention and containment procedures (or, if more stringent, with State rules, regulations, and guidelines):
- (1) Facility drainage, onshore (excluding production facilities):
    - (i) Drainage from diked storage areas should be restrained by valves or other positive means to prevent a spill or other excessive leakage of oil into the drainage system or the effluent treatment system except where plant systems are designed to handle such leakage. Diked areas may be emptied by pumps or ejectors; however, to be sure no oil will be discharged into a water source such as a river or reservoir or into the groundwater, these should be manually activated and the condition of the accumulation should be examined before starting.
    - (ii) Flapper-type drain valves should not be used to drain diked areas. Valves used for the drainage of diked areas should, as far as practical, be of manual, open-and-closed design. When plant drainage drains directly into water courses and not into wastewater treatment plants, retained storm water should be inspected as provided in paragraphs (e)(2)(iii) (B), (C), and (D) of this section.
    - (iii) Plant drainage systems from undiked areas should, if possible, flow into ponds, lagoons, or catchment basins that are designed to retain oil or return it to the facility. Catchment basins should not be located in areas subject to periodic flooding.

- (iv) If plant drainage is not engineered as above, the ditches should be equipped with a diversion system that could, in the event of an uncontrolled spill, return the discharged oil to the plant.
  - (v) Where drainage waters are treated in more than one treatment unit, natural hydraulic flow should be used. If pump transfer is needed, two “lift” pumps should be provided, and at least one of the pumps should be permanently installed when such treatment is continuous. In any event, regardless of the techniques used, facility drainage systems should be adequately engineered to prevent oil from reaching navigable waters in the event of equipment failure or human error at the facility.
- (2) Bulk storage tanks, onshore (excluding production facilities).
- (i) No tank should be used for the storage of oil unless it is compatible with the material stored and the conditions of storage, such as pressure and temperature.
  - (ii) All bulk storage tank installations should be constructed so that a secondary means of containment is provided for the entire contents of the largest single tank plus sufficient freeboard to allow for precipitation. Diked areas should be sufficiently impervious to contain spilled oil. Dikes, containment curbs, and pits are commonly employed for this purpose, but they may not always be appropriate. An alternative system could consist of a complete drainage trench enclosure arranged so that a spill could terminate and be safely confined in an in-plant catchment basin or holding pond.
  - (iii) Bypassing the in-plant treatment system and draining rainwater from the diked area into a storm drain or an effluent discharge that empties into an open water course, lake, or pond may be acceptable if:
    - (A) The bypass valve is normally sealed closed.
    - (B) Inspection of the run-off rain water ensures compliance with applicable water quality standards and will not cause a harmful discharge as defined in 40 CFR part 110.
    - (C) The bypass valve is opened and resealed following drainage under responsible supervision.
    - (D) Adequate records are kept of such events.
  - (iv) Buried metallic storage tanks represent a potential for undetected spills. A new buried installation should be protected from

corrosion by coatings, cathodic protection, or other effective methods compatible with local soil conditions. Such buried tanks should at least be subjected to regular pressure testing.

- (v) Partially buried metallic tanks for the storage of oil should be avoided unless the buried section of the shell is adequately coated. Partial burial in damp earth can cause rapid corrosion of metallic surfaces, especially at the earth/air interface.
- (vi) Aboveground tanks should be subject to periodic integrity testing, taking into account tank design (floating roof, etc.) and using such techniques as hydrostatic testing, visual inspection, or a system of nondestructive shell thickness testing. Comparison records should be kept, where appropriate, and tank supports and foundations should be included in these inspections. In addition, the outside of the tank should frequently be observed by operating personnel for signs of deterioration, leaks that might cause a spill, or accumulation of oil inside diked areas.
- (vii) To control leakage through defective internal heating coils, the following factors should be considered and applied, as appropriate:
  - (A) The steam return or exhaust lines from internal heating coils that discharge into an open water course should be monitored for contamination or passed through a settling tank, skimmer, or other separation or retention system.
  - (B) The feasibility of installing an external heating system should also be considered.
- (viii) New and old tank installations should, as far as practical, be fail-safe engineered or updated into a fail-safe engineered installation to avoid spills. Liquid level sensing devices should be regularly tested to ensure proper operation. Consideration should be given to providing one or more of the following devices:
  - High liquid level alarms with an audible or visual signal at a constantly manned operation or surveillance station; in smaller plants, an audible air vent may suffice.
  - High-liquid-level pump cutoff devices set to stop flow at a predetermined tank content level, depending on the size and complexity of the facility.
  - Direct audible or code signal communication between the tank gauge and the pumping station.

- A fast response system for determining the liquid level of each bulk storage tank such as digital computers, telepulse, or direct vision gauges or their equivalent.
  - (ix) Where plant effluents are discharged into navigable waters, disposal facilities should be observed frequently enough to detect possible system upsets that could cause an oil spill.
  - (x) Visible oil leaks that result in a sufficiently large loss of oil from tank seams, gaskets, rivets, and bolts to cause the accumulation of oil in diked areas should be promptly corrected.
  - (xi) Mobile or portable oil storage tanks (onshore) should be positioned or located so as to prevent spilled oil from reaching navigable waters. A secondary means of containment, such as dikes or catchment basins, should be furnished for the largest single compartment or tank. These facilities should be located where they will not be subject to periodic flooding or washout.
- (3) Facility transfer operations, pumping, and in-plant process, onshore (excluding production facilities).
  - (i) Buried pipes should have a protective wrapping and coating and should be cathodically protected if soil conditions warrant. If a section of buried line is exposed for any reason, it should be carefully examined for deterioration. If corrosion damage is found, additional examination and corrective action should be taken as indicated by the magnitude of the damage. An alternative would be the use of exposed pipe corridors or galleries.
  - (ii) When a pipeline is not in service or is in standby service for an extended time, the terminal connection at the transfer point should be capped or blank-flanged and marked as to origin of the contents and the date the connection was capped.
  - (iii) Pipe supports should be properly designed to minimize abrasion and corrosion and allow for expansion and contraction.
  - (iv) All aboveground valves and pipelines should be subjected to regular examinations by operating personnel. During these examinations, the general condition of items such as flange joints, expansion joints, valve glands and bodies, catch pans, pipeline supports, locked valves, and metal surfaces should be assessed. In addition, periodic pressure testing may be warranted for pipes in areas where facility drainage is such that a failure might lead to a spill.

- (v) Vehicle operators granted entry into the facility should be warned verbally or by appropriate signs to be sure that the vehicle does not endanger aboveground piping.
- (4) Facility tank car and tank truck loading and unloading rack (onshore).
- (i) Tank car and tank truck loading and unloading procedures should meet the minimum requirements and regulations established by the Department of Transportation.
  - (ii) Where rack area drainage does not flow into a catchment basin or treatment facility designed to handle spills, a quick drainage system should be used for tank truck loading and unloading areas. The containment system should be designed to hold at least maximum capacity of any single compartment of a tank car or tank truck loaded or unloaded in the plant.
  - (iii) An interlocked warning light, a physical barrier system, or warning signs should be provided in loading and unloading areas to prevent vehicles from departing before flexible or fixed transfer lines are completely disconnected.
  - (iv) Before any tank car or tank truck is filled or departs the lowermost drain, all outlets of such vehicles should be closely examined for leakage and, if necessary, tightened, adjusted, or replaced to prevent liquid leakage while in transit.
- (5) Oil production facilities (onshore).
- (i) An onshore production facility may include wells, flowlines, separation equipment, storage facilities, gathering lines, and auxiliary nontransportation-related equipment and facilities in a single geographical oil or gas field that is managed by a single operator.
  - (ii) Oil production facility drainage (onshore).
    - (A) At tank batteries and central treating stations where an accidental discharge of oil would have a reasonable possibility of reaching navigable waters, the dikes or equivalent required under section 112.7(c)(1) should have drains closed and sealed at all times except when rainwater is being drained. Before draining, the diked area should be inspected as provided in paragraphs (e)(2)(iii) (B), (C), and (D) of this section. Accumulated oil on the rainwater should be picked up and returned to storage or disposed of in accordance with approved methods.

- (B) Field drainage ditches, road ditches, oil traps, and sumps or skimmers, if such exist, should be inspected at regularly scheduled intervals for accumulation of oil that may have escaped from small leaks. Any such accumulations should be removed.
- (iii) Oil production facility bulk storage tanks (onshore).
- (A) No tank should be used for oil storage unless it is compatible with the material stored and the conditions of storage.
  - (B) All tank battery and central treating plant installations should be provided with a secondary means of containment for the entire contents of the largest single tank, if feasible, or alternate systems such as those outlined in section 112.7(c)(1). Drainage from undiked areas should be safely confined in a catchment basin or holding pond.
  - (C) All tanks containing oil should be visually examined by a competent person for condition and need for maintenance on a scheduled periodic basis. Such examination should include the foundation and supports of tanks that are above the surface of the ground.
  - (D) New and old tank battery installations should, as far as practical, be fail-safe engineered or updated into a fail-safe engineered installation to prevent spills. Consideration should be given to one or more of the following:
    - Adequate tank capacity to ensure that a tank will not overflow should a pumper/gauger be delayed in making his regular rounds.
    - Overflow equalizing lines between tanks so that a full tank can overflow to an adjacent tank.
    - Adequate vacuum protection to prevent tank collapse during a pipeline run.
    - High-level sensors to generate and transmit an alarm signal to the computer where facilities are a part of a computer production control system.

- (iv) Facility transfer operations, oil production facility (onshore).
  - (A) All aboveground valves and pipelines should be examined on a scheduled basis for general condition of items such as flange joints, valve glands and bodies, drip pans, pipeline supports, pumping well polish rod stuffing boxes, and bleeder and gauge valves.
  - (B) Salt water (oil field brine) disposal facilities should be examined often, particularly following a sudden change in atmospheric temperature, to detect possible system upsets that could cause an oil discharge.

Production facilities should have a program of flowline maintenance to prevent spills from this source. The program should include periodic examinations, corrosion protection, flowline replacement, and adequate records, as appropriate, for the individual facility.

- (6) Oil drilling and workover facilities (onshore).
  - (i) Mobile drilling or workover equipment should be positioned or located so as to prevent spilled oil from reaching navigable waters.
  - (ii) Depending on the location, catchment basins or diversion structures may be necessary to intercept and contain spills of fuel, crude oil, or oily drilling fluids.
  - (iii) Before drilling below any casing string or during workover operations, a blowout prevention (BOP) assembly and well control system should be installed that is capable of controlling any well head pressure that is expected to be encountered while that BOP assembly is on the well. Casing and BOP installations should be in accordance with State regulatory agency requirements.
- (7) Oil drilling, production, or workover facilities (offshore).
  - (i) An oil drilling, production, or workover facility (offshore) includes all drilling or workover equipment, wells, flowlines, gathering lines, platforms, and auxiliary nontransportation-related equipment and facilities in a single geographical oil or gas field that is managed by a single operator.
  - (ii) Oil drainage collection equipment should be used to prevent and control small oil spills around pumps, glands, valves, flanges, expansion joints, hoses, drain lines, separators, treaters, tanks, and allied equipment. Drains on the facility should be controlled and directed toward a central collection sump or equivalent collection



system sufficient to prevent discharges of oil into the navigable waters of the United States. Where drains and sumps are not practicable, oil contained in collection equipment should be removed as often as necessary to prevent overflow.

- (iii) For facilities employing a sump system, sump and drains should be of adequate size, and a spare pump or equivalent method should be available to remove liquid from the sump and ensure that oil does not escape. A regularly scheduled preventive maintenance inspection and testing program should be employed to ensure reliable operation of the liquid removal system and pump startup device. Redundant automatic sump pumps and control devices may be required on some installations.
- (iv) In areas where separators and treaters are equipped with dump valves in which the predominant mode of failure is in the closed position and pollution risk is high, the facility should be specially equipped to prevent the escape of oil. This could be accomplished by extending the flare line to a diked area if the separator is near shore, equipping it with (1) a high-liquid-level sensor that will automatically shut-in wells producing to the separator, (2) parallel redundant dump valves, or (3) other feasible alternatives to prevent oil discharges.
- (v) Atmospheric storage or surge tanks should be equipped with high-liquid-level sensing devices or other acceptable alternatives to prevent oil discharges.
- (vi) Pressure tanks should be equipped with (1) high- and low-pressure sensing devices to activate an alarm or to control the flow of oil or (2) other acceptable alternatives to prevent oil discharges.
- (vii) Tanks should be equipped with suitable corrosion protection.
- (viii) A written procedure for inspecting and testing pollution prevention equipment and systems should be prepared and maintained at the facility. Such procedures should be included as part of the SPCC Plan.
- (ix) Pollution prevention equipment and systems at the facility should be tested and inspected by the owner or operator on a scheduled periodic basis commensurate with the complexity, conditions, and circumstances of the facility or as directed by specific regulations.
- (x) Surface and subsurface well shut-in valves and devices in use at the facility should be sufficiently described to determine the method of activation or control (e.g., pressure differential, change in fluid or flow conditions, combination of pressure and flow, or

manual or remote control mechanisms). Detailed records for each well, while not necessarily part of the plan, should be kept by the owner or operator.

- (xi) Before drilling below any casing string and during workover operations, a BOP assembly and well control system should be installed that is capable of controlling any wellhead pressure that is expected to be encountered while that BOP assembly is on the well. Casing and BOP installations should be in accordance with State regulatory agency requirements.
- (xii) Extraordinary well control measures should be provided in case of emergency conditions, including fire, loss of control, and other abnormal conditions. The degree of control system redundancy should vary with hazard exposure and probable consequences of failure. It is recommended that surface shut-in systems have redundant or “fail close” valving. Subsurface safety valves may not be needed in producing wells that will not flow, but should be installed as required by applicable State regulations.
- (xiii) To ensure that there will be no misunderstanding of joint and separate duties and obligations to perform work in a safe and pollution free manner, written instructions should be prepared by the owner or operator for contractors and subcontractors to follow whenever contract activities include servicing a well or system appurtenant to a well or pressure vessel. Such instructions and procedures should be maintained at the offshore production facility. Under certain circumstances and conditions, such contractor activities may require the presence at the facility of an authorized representative of the owner or operator who would intervene when necessary to prevent a spill event.
- (xiv) All manifolds (headers) should be equipped with check valves on individual flowlines.
- (xv) If the shut-in well pressure is greater than the working pressure of the flowline and manifold valves up to and including the header valves associated with that individual flowline, the flowline should be equipped with a high-pressure sensing device and shut-in valve at the well head unless provided with a pressure relief system to prevent over pressuring.
- (xvi) All pipelines appurtenant to the facility should be protected from corrosion. Possible techniques for protection are protective coatings or cathodic protection.

- (xvii) Sub-marine pipelines appurtenant to the facility should be adequately protected against environmental stresses and activities such as fishing operations.
  - (xviii) Sub-marine pipelines appurtenant to the facility should be in good operating condition at all times and inspected on a scheduled periodic basis for failures. Such inspections should be documented and the records maintained at the facility.
- (8) Inspections and records. Inspections required by this part should be in accordance with written procedures developed for the facility by the owner or operator. These written procedures and a record of the inspections, signed by the appropriate supervisor or inspector, should be made part of the SPCC Plan and maintained for 3 years.
- (9) Security (excluding oil production facilities).
- (i) All plants handling, processing, and storing oil should be fully fenced, and entrance gates should be locked or guarded or both when the plant is not in production or is unattended.
  - (ii) The master flow and drain valves and any other valves that will permit direct outward flow of the tank's content to the surface should be securely locked in the closed position when in nonoperating or standby status.
  - (iii) The starter control on all oil pumps should be locked in the "off" position or located at a site accessible only to authorized personnel when the pumps are in a nonoperating or standby status.
  - (iv) The loading and unloading connections of oil pipelines should be securely capped or blank-flanged when not in service or when in standby service for an extended time. This security practice should also apply to pipelines that are emptied of liquid content either by draining or by inert gas pressure.
  - (v) Facility lighting should be commensurate with the type and location of the facility. Consideration should be given to:
    - Discovery of spills occurring during hours of darkness both by operating personnel and by nonoperating personnel (the general public, local police, etc.).
    - Prevention of spills that occur through acts of vandalism.

- (10) Personnel training and spill prevention procedures.
- (i) Owners or operators are responsible for properly instructing their personnel in the operation and maintenance of equipment to prevent the discharges of oil. Owners and operators are responsible for instructing their personnel in applicable pollution control laws, rules, and regulations.
  - (ii) Each applicable facility should have a designated person who is accountable for oil spill prevention and who reports to line management.
  - (iii) Owners or operators should schedule and conduct spill prevention briefings for their operating personnel at intervals frequent enough to ensure adequate understanding of the SPCC Plan for that facility. Such briefings should highlight and describe known spill events or failures, malfunctioning components, and recently developed precautionary measures.

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(Area Name)

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## **CHAPTER 13 – CONCESSION RISK MANAGEMENT PROGRAM**

### **A. POLICY**

It is the responsibility of all Bureau of Reclamation (Reclamation) concessionaires to provide a safe and healthful environment for all employees and visitors, as outlined in the concession contract. Each concessionaire will develop a Risk Management Program, which is approved by the area manager and is in accordance with the Occupational Safety and Health Act (OSHA) and the Reclamation Concession Risk Management Program.

### **B. CONCESSION RISK MANAGEMENT PROGRAM**

The Concession Risk Management Program is intended to prevent accidents and lessen the severity of injury or loss if an accident should occur. It is intended to encourage concessionaires to have a proactive safety program. The evaluations should document the positive as well as the negative. The results of the evaluations will serve as a management tool for ensuring that Reclamation services and facilities are safe.

Each concessionaire will develop his or her own program as a part of the proposal. This Risk Management Program will become a part of the concession contract as exhibit M. Safety requirements must be adequately addressed for all facilities and services provided. The complexity and detail of the program will depend on the size and complexity of the concessionaire's facilities and services.

The performance standards outline in detail the required elements of the Risk Management Program. Some elements may not apply to all concession operations. When preparing the concession contract, the preparer will choose the elements that apply based on the size and complexity of the concession operation. For example, concession operations that are not complex in nature may need only a simple program to address necessary health and safety issues. A larger, more complex operation may require a more comprehensive program. The first priority (A) elements cannot be waived.

Concessionaires are encouraged to request advice and assistance from insurance carriers and others in the development of the Risk Management Program. Reclamation offices are encouraged to share this Risk Management Program with concessionaires. Maintenance, Operating, and Risk Management Programs should be reviewed annually and revised accordingly to ensure that the concessionaire's responsibilities for risk management are current with Reclamation requirements. The area manager shall advise that concessionaire of any new regulations that may require changes to the Risk Management Program. To update the Risk Management Program, the new program must be signed by both Reclamation and the concessionaire and attached to the concession contract. The concessionaire must implement all conditions included in the revised Risk Management Program.

### **C. AUTHORITY HAVING JURISDICTION**

The area manager is the authority having jurisdiction.

### **D. EMPLOYEE ACCIDENT AND INJURY ANALYSIS**

An annual summary listing injury and accident types and employee lost days shall be provided by the concessionaire to the area manager for analysis. The summary may include additional information as required by the area manager. The summary will compare present year data to the same data from the previous year.

This information is only a tool to be used in the evaluation of the program. The statistics may point to trends over a multiple-year period. However, use caution when analyzing this information; there may be other reasons not related to the safety program for a particular trend in accidents.

### **E. INSPECTION AND EVALUATION RESPONSIBILITIES**

For purposes of this standard, an “inspection” is defined as a documented examination of all equipment, facilities, visitor activities, and work processes to determine compliance with established safety and occupational health regulations. The concessionaire conducts inspections. Assistance in conducting inspections is available from State and Federal OSHA Offices, insurance companies, most fire departments (fire safety), county building inspectors, and private consultants.



# CONCESSION RISK MANAGEMENT PROGRAM

## PERFORMANCE STANDARDS

The following general standards apply to almost all concession operations. There are, however, some instances when individual performance standards may not be applicable to the size and complexity of the concession operation. The area manager has the authority to select the elements that apply. First priority (A) deficiencies may not be waived.

### A. DOCUMENTED PROGRAM

#### 1. Policy Written and Available to Staff (B)

- The policy states the concessionaire's commitment to provide a safe and healthy environment for employees and visitors.
- At a minimum, it will address procedures to identify and correct safety deficiencies and measures to ensure safety awareness and training in hazards recognition.
- The policy will outline accountability and responsibility for managers, supervisors, and employees.
- The policy is distributed to employees or is posted conspicuously.
- The scope and complexity of the program is commensurate with the size and type of operations and services being provided.
- Long-range goals and objectives to achieve a safe, healthful environment are formulated.

#### 2. Safety and Health Official is Designated (B) or (C)

- The person with primary responsibility for managing the concessionaire's Risk Management Program is clearly identified.
- This person's responsibilities and authority are clearly stated.
- Sufficient documentation is provided to verify that the designated safety and health official has carried out his or her assigned responsibilities; such documentation may include inspection reports, records of training sessions conducted or attended, accident or incident reports and followups, analysis of accident trends, etc.

**3. Management and Staff are Held Accountable for Compliance (A)**

- Supervisors are assigned the responsibility to conduct routine safety inspections of the assigned work areas, job sites, etc.
- Procedures to evaluate all employees on compliance with the concessionaire's Risk Management Program are identified.
- Employees are encouraged to report unsafe or unhealthy working conditions.

**4. Sufficient Funds and Resources have been Allocated to Support the Risk Management Program (A)**

- Adequate funds or other resources have been set aside to cover the needs for staff, training, personal protective equipment, safety literature, etc., commensurate with the size and complexity of the concession operation.

**5. Annual Goals and Objectives (B) or (C)**

- Specific goals and objectives are established annually for achieving a safer and more healthful work environment. These may be based on needs identified in prior reporting periods (e.g., specific goal for reducing back injuries; expanding the safety segment of general orientation training for seasonal wait staff, housekeepers, and maintenance workers; and purchasing and using an expanded safety videotape library).

**6. Program Administration (C)**

- Safety and health information is available to all permanent and seasonal employees.
- OSHA "right-to-know" posters (OSHA 2203) are prominently displayed in areas frequented by staff.
- A summary listing the total number of accidents and injuries and total lost-days is reported to Reclamation annually.
- Employees (and employee unions) are involved in the program through committees, suggestion programs, or other systems for reporting workplace hazards.

## **B. INSPECTIONS**

### **7. An Inspection Schedule Has Been Developed (B)**

- A schedule for inspecting all facilities, equipment, and public use areas has been developed.
- The frequency and timing of inspections for all facilities and equipment is identified and is commensurate with the complexity or seasonality of the operation.
- Any facilities or equipment requiring specialized safety inspections is identified and a schedule is established in accordance with the manufacturer's recommendations, governing or professional organization recommendations, etc.
- Inspections are conducted according to the established schedule.

### **8. Inspections are Conducted as Scheduled or Required (A)**

- Procedures for documenting inspections, reporting hazards, etc., are established.
- Inspections are conducted as required.

### **9. Inspections are Conducted by People Trained and Capable of Recognizing and Evaluating Hazards (B)**

- Inspectors are identified.
- Inspectors have the knowledge, skills, and abilities to recognize, evaluate, and make recommendations for corrective actions.
- Inspectors are fully familiar with the operation being inspected and typical problems that might be associated with it.
- Inspectors understand and follow the established procedures for documenting and reporting hazards.
- Inspectors follow up to ensure that hazards are abated within established time limits.

**10. Inspection Records are Kept for a Minimum of 3 Years (C)**

- All inspection records are kept for a minimum of three (3) years and must be made available to the area manager or his or her representative upon request.
- Such records must include the following information: date of inspection, name of facility or building, identified deficiencies or hazards, classification of deficiencies, abatement date or action plan to correct deficiencies, and name of person conducting the inspection.

**C. DEFICIENCY CLASSIFICATION AND HAZARD ABATEMENT SCHEDULES**

**11. “Catastrophic” Deficiencies are Abated or Action Plans are Developed Within Time Limits (A)**

- Catastrophic is defined as a condition or practice with potential for loss of life or body part or permanent disability or extensive loss of structure, equipment, or material.
- Such deficiencies must be abated immediately. An example is a dangling power line.
- Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be immediately achieved, the facility or service must be closed.

**12. “Critical” Deficiencies are Abated or Action Plans are Developed Within Time Limits (B)**

- Critical is defined as a condition or practice with potential for serious injury or illness resulting in temporary disability or property damage that is disruptive, but less severe than a catastrophic event. An example is an open trench in front of a public area.
- Such deficiencies should be abated within approximately 15 days or other reasonable timeframe as established by the concessionaire and approved by Reclamation.
- Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors. If abatement cannot be immediately achieved, the facility or service must be closed.

**13. “Marginal” Deficiencies are Abated or Action Plans are Developed Within Time Limits (C)**

- Nonserious hazard is defined as a condition or practice with a potential for minor nondisability injury or illness or nondisruptive property damage. An example is a minor tripping hazard.
- Such deficiencies should be abated within 45 days or a reasonable timeframe as established by the concessionaire and approved by Reclamation.
- Abatement methods include correction of the deficiency or other action to reduce risk temporarily to staff and visitors.

**D. ACCIDENT REPORTING AND INVESTIGATION**

**14. A Documented Plan Is in Place for Reporting and Investigating Employee and Visitor Accidents and Incidents (B) or (C)**

- Accident and incident reporting and investigating procedures are documented.
- Such procedures must include, but not be limited to, the types of accidents to be reported, the forms to be used to properly document accidents and incidents, the person(s) responsible for reporting or investigating accidents and incidents and for completing the forms, and the required timeframes for reporting and documenting accidents and incidents.
- Corrective action is taken to reduce or eliminate recurrence of accidents.
- Records are maintained verifying that accidents were reported and documented as required by Reclamation, OSHA, Office of Workers’ Compensation, etc.

**15. All Reportable Accidents are Being Reported to Reclamation (B)**

- A plan has been developed outlining procedures for accident reporting. Employees are aware of these procedures.
- Reportable accidents and incidents include any fatalities, visitor incidents with likelihood of a tort claim against the United States, and fires.
- Employees are aware of the type of accidents and incidents that must be reported to Reclamation.

- Such records should include the date the accident or incident was reported, to whom, and by whom.

## **E. PUBLIC SAFETY AWARENESS AND PROMOTION**

### **16. Activity-Related Hazards are Communicated (B)**

- Activity-related hazards (e.g., white-water rafting trips and horseback rides) are effectively communicated to area visitors. (Note: This standard may not be applicable to operations that are normally low risk, such as operating a gift shop.) This element relates directly to the safety component in the “general standard” and any deficiencies noted in periodic operational evaluations of specific services.

### **17. Resource-Related Hazards are Communicated (B)**

- Resource hazards that exist within the scope of the concession operation (e.g., falling rocks, wild animals, Lyme disease, trail or river conditions, and hypothermia) are effectively communicated to area visitors and staff.

## **F. TRAINING**

### **18. Training Plan and Accomplished Training for Supervisors (B) or (C)**

- A plan is established identifying the training requirements for all supervisors.
- Required subject matter and required training courses are identified and provided.
- All accomplished training is documented.

### **19. Training Plan and Accomplished Training for Safety and Health Official (B) or (C)**

- A plan is established identifying the training requirements for safety and health official(s).
- Required subject matter and required training courses are identified and provided.
- All accomplished training is documented.

**20. Training Plan and Accomplished Training for Employees (B) or (C)**

- A plan is established identifying the training requirements for all employees.
- The plan includes safety training appropriate to the job being performed, as well as general safety information.
- Required subject matter and required training courses are identified and provided.
- All accomplished training is documented.

**G. EMERGENCY PROCEDURES**

**21. Procedures are Documented for All Probable Occurrences (B)**

- An Emergency Action Plan is developed that identifies occurrences that will require specific procedures to protect lives and property.

**22. Plans are Coordinated with Reclamation (B)**

- The concessionaire has coordinated all Emergency Action Plans with Reclamation.
- The area manager approves the plans.
- The plans are reviewed annually and updated as necessary.

**23. Plans are Distributed to Employees or Posted Conspicuously (B)**

- Employees are familiar with Emergency Action Plans and are aware of their individual responsibilities in implementing such plans.
- Procedures are practiced, if required.

# CONCESSION RISK MANAGEMENT PROGRAM

## TRAINING REQUIREMENTS

### A. EXAMPLES FOR RECLAMATION COMPLIANCE

Safety and health training should be conducted for (  Name of Company  ) employees as follows:

### B. TOP MANAGEMENT

#### Year 1

- Introduction to OSHA – 1 hour
- Fire Safety – 1 hour
- Laws Relating to Safety and Health – 1 hour

#### Year 2

- Public Health – 1 hour
- Industrial Health – 1 hour
- National Fire Protection Association (NFPA) Life Safety Code 101 – 2 hours

#### Year 3

- Conducting Safety and Health Inspections – 1 hour
- Managing a Motor Vehicle Fleet Safety Program – 1 hour
- Emergency Operations – 1 hour
- Stress Management – 1 hour

#### Year 4

- Occupational Diseases – 2 hours
- Hazardous Materials – 2 hours

#### Year 5

- Refresher Training – Subjects to be determined based on current needs.

### C. SUPERVISORS

#### Year 1

- Introduction to OSHA – 1 hour
- Fire Safety – 2 hours
- Laws Relating to Safety and Health – 1 hour
- Public Health – 3 hours
- Industrial Health – 1 hour
- NFPA Life Safety Code 101 – 2 hours



**Year 2**

Conducting Safety and Health Inspections – 4 hours  
Managing a Motor Vehicle Fleet Safety Program – 2 hours  
Emergency Operations – 2 hours  
Stress Management – 1 hour

**Year 3**

Hazardous Materials – 2 hours  
Writing Safety Inspection Reports – 1 hour  
Job Safety Analysis – 2 hours

**Year 4**

Refresher Training – Subjects to be determined based on current needs.

**D. SAFETY SPECIALIST**

**40 Hours Initial Training**

OSHA – 40 hours

**8 Hours Annually (minimum)**

**Year 1**

Managing a Risk Management Program – 40 hours

**Year 2**

Industrial Hygiene – 20 hours

**Years 3**

Accident Investigation – 32 hours

**Year 4**

NFPA Life Safety Code 101 – 32 hours

**E. GENERAL EMPLOYEES**

Introduction to OSHA – 1 hour  
Company Risk Management Program – 1 hour  
Fire Safety – 1 hour  
Bloodborne Pathogens – 1 hour  
Materials Handling – 1 hour  
AIDS in the Workplace – 1 hour  
Fire Extinguisher Operations – 1 hour  
Kitchen Safety – 1 hour

## **F. SAFETY COMMITTEE MEMBERS**

Introduction to OSHA – 1 hour  
Company Risk Management Program – 1 hour  
Fire Safety – 1 hour  
Bloodborne Pathogens – 1 hour  
AIDS in the Workplace – 1 hour  
Conducting Safety Inspections – 2 hours  
Industrial Hygiene – 2 hours

# CONCESSION RISK MANAGEMENT PROGRAM

## INSPECTION CHECKLIST

### A. COMMON ISSUES

Fire extinguishers (Have they been inspected?)

Emergency exits (Are they signed, clear of obstructions, unlocked, etc.?)

Employee rights posted on bulletin boards

Right-to-know stations (material safety data sheets [MSDS] for the work unit)

General housekeeping

Extension cords (Used properly? Not as permanent wiring.)

Access to electrical panels (Not blocked? Must have clear area 3 feet in front of panels.)

Warning signs (wet floor, restricted area, ice on walkway, etc.)

Flammable and hazardous materials labeled and stored properly

Safety guards on equipment (table saw, circular saw, belt guard, etc.) (A bench grinder should have three guards: tool rest, throat guard, and eye guard.)

Tripping hazards

### B. QUESTIONS FOR EMPLOYEES

Have you read the company's Risk Management Plan?

Have you received safety orientation training?

Have you received training on how to do your job safely?

Have you received training on personal protective equipment?

Do you know where the MSDS station for your work unit is?

Have you been trained to read an MSDS?

Have you been trained to recognize hazardous materials?

Have you been told about the hazardous materials you use in your job?

Have you been instructed to protect yourself while using hazardous material?

Have you been told how to report a hazardous material spill?

Have you been told how to report an accident to either yourself or a visitor?

Is there a system for reporting hazards? Have you used it?

Have you been told about park-related hazards (high water, wildlife, etc.)?

Does your work unit have safety talks? If so, how often and how long are the talks, what are the subjects of the talks?

## Checklist

- 1. Aboveground Fuel Storage Tanks**
  - a. Impounding Around Tanks
  - b. Venting for Tanks
  - c. Sources of Ignition
- 2. Building Maintenance**
  - a. Laundry Chute Doors
  - b. Clothes Dryer Vents
  - c. Elevators
  - d. Door Locks
  - e. Occupant Load Signs
  - f. Floor Diagrams
  - g. Fans Guarded
  - h. Light Bulbs Guarded
  - i. Fire Walls and Partitions
  - j. Floor Openings Guarded
  - k. Covers and Guardrails
  - l. Emergency Eye Wash
  - m. Lavatories
  - n. Rodents and Insects
  - o. Food and Toxics Stored Together
  - p. Headroom – 7 feet
  - q. Floor Load Rating
- 3. Compressed Air Tanks**
  - a. Installation
  - b. Belts Guarded
  - c. Drains Provided
  - d. Drained Routinely
  - e. Pressure Gage
- 4. Compressed Gas**
  - a. Hazard Identification
  - b. Labeling Requirements
  - c. Storage Location
  - d. Storing
  - e. Securing Cylinders
  - f. Valve Protective Caps
  - g. Emergency Plan Requirements
  - h. Oxygen Stored Next to Highly Combustible Material
- 5. Detection Systems**
  - a. Local Alarm Required
  - b. Local Alarm Functional
  - c. Auxiliary Alarms Functional
  - d. Single Station Detectors Functional
  - e. Trouble Signals
  - f. Secondary Power Supply
  - g. Detector Condition and Testing
  - h. Automatic Door Closures Functional
  - i. Pull Boxes
- 6. Electrical**
  - a. Ground Fault Circuit Interrupters (GFCIs) Provided as Required
  - b. Service Properly Grounded
  - c. Appliances Grounded
  - d. Equipment Grounded
  - e. Overcurrent Protection
  - f. Receptacle Faceplates
  - g. Covers on Outlet Boxes
  - h. Covers on Switches
  - i. Junction Boxes Covered
  - j. Circuit Breakers Accessible
  - k. Circuit Breaker Location
  - l. Circuit Breakers Identified
  - m. Unused Openings
  - n. Location of Switchboards
  - o. Electrical Panel Clearance
  - p. Plugs and Connectors
  - q. Flexible Cords
  - r. Equipment Firmly Secured
  - s. Outdoor Receptacles Weatherproof
  - t. On/Off Switches Identified
  - u. Cords Damaged or Deteriorated
  - v. Ground Prong Missing
  - w. Temporary Wiring Used as Permanent
  - x. Unused Openings in Boxes and Cabinets
  - y. Receptacles and Junction Boxes with Cover Plate
  - z. Light Switch Cover Plates
- 7. Emergency Lights**
  - a. Batteries
  - b. Lights Functional
  - c. Testing and Records Required
- 8. Emergency Procedures**
  - a. Use of First Aid Fire Fighting Equipment
  - b. Employees Instructed on Duties
  - c. Employees Drilled on Duties
  - d. Fire Exit Drills
- 9. Exit Signs**
  - a. Illumination
  - b. Signs Blocked
  - c. Signs Missing
  - d. “No Exit” Signs

10. **Exits**
  - a. Visibility
  - b. Exits Unobstructed
  - c. Locked
  - d. Marked
  - e. Storage in Exitways
11. **Fire Extinguishers**
  - a. In Service
  - b. Inspection Tag
  - c. Monthly Inspection
  - d. Halon Extinguisher Inspections
  - e. Annual Maintenance
  - f. Six-Year Maintenance
  - g. Hydrostatic Test
  - h. Fully Charged
  - i. File Record
  - j. Manual Pulls Labeled
  - k. Training
  - l. Halon Safety Training
  - m. Adequate Distribution
  - n. Obstruction
  - o. Correct Rating and Type
  - p. Height of Mounting
  - q. Tamper Seals and Pins
12. **Fire and Smoke Doors**
  - a. Doors Blocked and Obstructed
  - b. Automatic Release Functional
  - c. Operating Hardware Functional
  - d. Clearance Between Door and Frame
  - e. Clearance Between Door and Sill
  - f. Smoke Seals
  - g. Repair of Doors
  - h. Fusible Links
  - i. Self Closures
  - j. Swing Direction
13. **Hand and Portable Power Tools**
  - a. Guards
  - b. Electric Tools GFCI Protected
  - c. Electric Tools and Receptacles Grounded
14. **Heating Appliances**
  - a. Air Filters
  - b. Portable Heaters
15. **Hoists, Cranes, Lift Trucks**
  - a. Inspection
  - b. Preventive Maintenance
  - c. Rated Load Marked
  - d. Cranes Idle – Less than 6 months
  - e. Cranes Idle – More than 6 months
  - f. Crane Hook Safety Latch
  - g. Hoist Chains Inspected
16. **Housekeeping**
  - a. Work Areas Maintained in Clean, Orderly Condition
  - b. Work Areas Free of Obstruction
  - c. Aisle and Passageway Clearance
  - d. Tripping Hazards Painted
  - e. Storage in Egress and Unobstructed Exit Way
  - f. Ice or Snow on Exterior Steps
  - g. Trash Removal
  - h. Ash Disposal
  - i. Dirty Rag Storage
  - j. Control of Nonsmoking Areas
  - k. Control of Smoking Debris
  - l. Proper Storage of Flammable Liquefied Gas
  - m. Safety Cans
  - n. Food Storage
  - o. Interior Decorations
  - p. Clearance Below Sprinkler Heads
  - q. Seating and Table Arrangements
  - r. Air Nozzles
  - s. Fire Lanes
  - t. Combustible Storage
  - u. Flammable Liquids in Offices
  - v. “Jerry” cans prohibited
  - w. Flammable Liquid Storage Room – Ventilation
  - x. Safety Cans Required
  - y. Light Bulbs Guarded
  - z. Floors in Dry Condition
17. **Kitchens and Hood Systems**
  - a. Hood and Ducts Clean
  - b. Inspection Certificate
  - c. Grease Filters Installed
  - d. Fusible Links Replaced Annually
  - e. Extinguishing System in Service
  - f. Access to Manual Release
  - g. Instructions for Manual Operation
  - h. Six-Month Inspection Record
  - i. Grease Trap Provided
  - j. Deep Fat Fryer Installation
  - k. High Limit Control for Deep Fat Fryer
18. **Ladders, Scaffolds**
  - a. Inspection and Maintenance
  - b. Safety Feet

19. **Liquefied Petroleum Gas (LPG) Yards and Portable Containers**
  - a. Location of Containers
  - b. Facilities
  - c. Firm Foundation
  - d. Separated From Flammable Liquids
  - e. Venting
  - f. Shutoff Valves
  - g. Tanks Painted
  - h. Container Condition
  - i. Protection of Container Accessories
  - j. Protection from Tampering
  - k. Combustibles in Yard
  - l. Fire Extinguisher Required
  - m. Requalification
20. **Machinery and Equipment**
  - a. General Safeguarding
  - b. Point of Operation Safeguarding
  - c. Reset Switches
  - d. Machines Anchored
  - e. Grinding Wheel Tool Rest
  - f. Ripsaws
21. **Other**
  - a. OSHA Required Postings
  - b. MSDS
  - c. Required Labeling
  - d. Hazard Communication Program
  - e. Hazardous Materials Inventory
22. **Plans**
  - a. Disaster Preparedness
  - b. Chemical Emergencies and Spills
  - c. Fire Evacuation
  - d. Training
23. **Radial Saws**
  - a. Adjustable Stop
  - b. Automatic Return
  - c. Upper Hood
  - d. Nonkickback Device
24. **Ramps and Platforms**
  - a. Strength
  - b. Surfaces
  - c. Handrails and Toeboards
25. **Sprinkler Suppression Systems**
  - a. System in Service
  - b. Water Flow Alarm Devices
  - c. Antifreeze Systems
  - d. Air Supply
  - e. Inspection, Test, and Maintenance Records
  - f. Control Valves Open and Secured
  - g. Sprinkler Temperature Ratings
  - h. Spare Sprinkler Heads
  - i. Valve Identification Tags
  - j. Fire Department Connection
26. **Stairs**
  - a. Lighting
  - b. Tread surfaces
  - c. Handrails
27. **Standpipe Systems**
  - a. Systems in Service
  - b. Supply Valves Open
  - c. Maintenance
  - d. Testing
28. **Water Heaters**
  - a. Water Heater Accessible
  - b. Heater Location
  - c. Storage Near Heater
  - d. Relief Valve Provided
  - e. Relief Valve Installation
  - f. Venting
29. **Welding**
  - a. Ventilation System Provided
  - b. Area Screened
30. **Woodworking Equipment**
  - a. Automatic Restart
31. **Fall Protection**
  - a. Required for 6 Feet or More

# SAFETY INSPECTION REFERENCES

## 1. ABOVEGROUND FUEL STORAGE TANKS

- a. **Impounding around Tanks.**—Reference NFPA 30 paragraph 2-3.4.2.

Where protection of adjoining property of waterways is by means of drainage to a remote impounding area so that impounded liquid will not be held against tanks, such systems shall comply with this code.

- b. **Venting for Tanks.**—Reference NFPA 30 paragraph 2-3.5.1.

Atmospheric storage tanks shall be adequately vented to prevent the development of vacuum or pressure sufficient to distort the roof of a cone roof tank or exceed the design pressure in the case of other atmospheric tanks as a result of filling or emptying and atmospheric temperature changes.

- c. **Sources of Ignition.**—Reference NFPA 30 paragraph 2-5.8.2.1.

Precautions shall be taken to prevent the ignition of flammable vapors. Sources of ignition include, but are not limited to, (a) open flames, (b) lighting, (c) hot surfaces, (d) radiant heat, (e) smoking, (f) cutting and welding, (g) spontaneous ignition, (h) frictional heat or sparks, (i) static electricity, (j) electrical sparks, (k) stray currents, (l) ovens, furnaces, and heating equipment.

## 2. BUILDING MAINTENANCE

- a. **Laundry Chute Doors.**—Reference NFPA 82 paragraph 3-2.2.9.

Gravity chutes shall be constructed so that the base opening of the chute or shaft or both shall be protected by an approved, automatic-closing or self-closing, 1-hour fire door suitable for a Class B opening.

- b. **Clothes Dryer Vents.**—Reference Uniform Mechanical Code 1903.

Exhaust from clothes dryers must be vented to the outside if they are in an area that contains fuel-burning appliances or that is habitable. Moisture exhaust ducts shall not terminate beneath the building or in an attic area.

- c. **Elevators.**—Reference NFPA 101 paragraph 9-5.3 and American National Standards Institute/ANSI A17.1.

Elevators, escalators, and conveyors shall comply with the provisions of section 7-4. Emergency operation and signal devices shall meet the requirements of section 211 and be inspected in accordance with Part X section 1000.

Inspection of the operation of elevators under fire or other emergency conditions is required once a year. Upon request, records of tests shall be made available to the authority having jurisdiction.

- d. **Door Locks.**—Reference NFPA 101 paragraph 5-2.1.5.1.

Doors shall be arranged to be opened readily from the inside whenever the building is occupied. Locks, if provided, shall not require the use of a key, tool, special knowledge, or effort for operation from inside the building.

- e. **Occupant Load Signs.**—Reference NFPA 101 paragraph 31-2.4.3.

Every room constituting an assembly area and not having fixed seats shall have the occupant load of the room posted in a conspicuous place near the main exit from the room.

- f. **Floor Diagrams.**—Reference NFPA 101 paragraph 31-6.4.1.

A floor diagram reflecting the actual floor arrangement, exit locations, and room identification shall be posted in or adjacent to every guest room door in hotels and in every resident room in dormitories or in locations directed by appropriate authorities.

- g. **Fans Guarded.**—Reference 29 CFR 1910.212 (a)(5).

When the periphery of the blades of a fan is less than seven (7) feet above the floor or working level, the blades shall be guarded. The guard shall have openings no larger than 1/2 inch.

- h. **Light Bulbs Guarded.**—Reference National Electrical Code (NEC) Article 110-17 (a)(4).

Live parts of electric equipment operating at 50 volts or more shall be guarded against accidental contact by approved enclosures or by elevation of 8 feet or more above the floor or other working surface.

- i. **Fire Walls and Partitions.**—Reference NFPA 101 paragraph 6-2.2.2.

Fire compartments shall be formed with fire barriers that are continuous from the outside wall to the outside wall, from one fire barrier to another, or a combination thereof, including continuity through all concealed spaces, such as those found above a ceiling and including interstitial spaces.

- j. **Floor Openings Guarded.**—Reference 29 CFR 1910.23 (a)(8).

Every floor hole into which people can accidentally walk shall be guarded by either:



- (a) A standard railing with standard toe board on all exposed sides
- (b) A floor hole cover of standard strength and construction
- k. **Covers and Guardrails.**—Reference 29 CFR 1910.22 (c).

Covers or guardrails shall be provided to protect personnel from the hazards of open pits, tanks, vats, ditches, etc.
- l. **Emergency Eye Wash.**—Reference 29 CFR 1910.151 (c).

In a work area where the eyes or body of any person may be exposed to injurious corrosive materials, suitable facilities for quick drenching or flushing of the eyes and body shall be provided for immediate emergency use.
- m. **Lavatories.**—Reference 29 CFR 1910.141 (d)(2)(ii).

Each lavatory shall be provided with hot and cold running water or tepid running water.
- n. **Rodent Infestation.**—Reference 29 CFR 1910.141 (a)(5).

Enclosed workplaces are constructed, equipped, and maintained to prevent the entrance or harborage of rodents, insects, or other vermin.
- o. **Food and Toxic Materials Stored Together.**—Reference 29 CFR 1910.141 (g)(4).
- p. **Headroom.**—Reference 29 CFR 1910.37 (i).

Seven feet 6 inches of headroom is required, and any projection from the ceiling must not be less than 6 feet 8 inches from the floor.
- q. **Floor Occupant Load.**—Reference 29 CFR 1910.37 (d)(1).

The occupant load shall be the maximum number of people that may be in the space at any time.

### 3. COMPRESSED AIR TANKS

- a. **Installation.**—Reference 29 CFR 1910.169 (b)(1).

Air receivers shall be so installed that all drains, handholds, and manholes therein are easily accessible. Under no circumstances shall an air receiver be buried underground or located in an inaccessible place.

- b. **Belts Guarded.**—Reference 29 CFR 1910.212 (a)(1).

One or more methods of machine guarding shall be provided to protect the operator and other employees in the machine area from hazards such as those created by point of operation, nip points, rotating parts, flying chips, and sparks.

- c. **Drains Provided.**—Reference 29 CFR 1910.169 (b)(2).

A drain pipe and valve shall be installed at the lowest point of every air receiver to provide for the removal of accumulated oil and water.

- d. **Drained Routinely.**—Reference 29 CFR 1910.169 (b)(2).

The drain valve on the air receiver shall be opened and the receiver completely drained frequently and at such intervals as to prevent the accumulation of excessive amounts of liquid in the receiver.

- e. **Pressure Gauge.**—Reference 29 CFR 1910.169 (b)(3)(i).

Every air receiver shall be equipped with an indicating pressure gauge and with one or more spring-loaded safety valves.

#### 4. COMPRESSED GAS

- a. **Hazard Identification.**—Reference NFPA 55 paragraph 4-1.1.

Hazard identification signs shall be placed at all entrances to locations where gases are produced, stored, used, or handled.

- b. **Labeling Requirements.**—Reference NFPA 55 paragraph 4-2.

Individual compressed gas cylinders shall be marked or labeled in accordance with Department of Transportation (DOT) and OSHA requirements.

- c. **Storage Location.**—Reference NFPA 55 paragraph 2-2.3.1.

Gas cylinders shall be stored in a room or enclosure with a minimum fire resistance rating of 2 hours. At least one wall of the room shall be an exterior building wall.

- d. **Storing.**—Reference 29 CFR 1910.253 (b)(5)(ii)(r)(2)(iii)(a).

Fuel-gas cylinders shall be placed with the valve end up whenever they are in use. Liquefied gases shall be stored and shipped with the valve end up.

- e. **Securing Cylinders.**—Reference NFPA 55 paragraph 6-6 and 29 CFR 1910.253 (b)(2)(ii).

Compressed or liquefied gas cylinders in use or in storage shall be secured to prevent them from falling or being knocked over.

- f. **Valve Protective Caps.**—Reference NFPA 55 paragraph 6-4.

Where compressed gas cylinders are designed to accept valve protective caps, the user shall keep such caps on compressed gas cylinders at all times except when being filled or connected for use.

- g. **Emergency Plan Requirements.**—Reference NFPA 55 paragraph 5-1.

Wherever liquefied or compressed gases are produced, handled, stored, or used, an Emergency Response Plan shall be prepared and updated. The plan shall be available upon reasonable notice for inspection by the authority having jurisdiction.

- h. **Oxygen Stored Near Highly Combustible Material.**—Reference 29 CFR 1910.253 (b)(4)(i).

Oxygen cylinders should not be stored near highly combustible material, especially oil and grease, near reserve stocks of acetylene, or near other fuel gas cylinders.

## 5. DETECTION SYSTEMS

- a. **Local Alarm Required.**—Reference 29 CFR 1910.36 (b)(7).

In every building or structure of such size, arrangement, or occupancy that a fire may not itself provide adequate warning to occupants, fire alarm facilities shall be provided where necessary to warn occupants of the existence of fire so that they may escape or to facilitate the orderly conduct of fire exit drills.

- b. **Local Alarm Functional.**—Reference 29 CFR 1910.36 (d)(2).

Every automatic sprinkler system, fire detection and alarm system, exit light, fire door, and other item of equipment, where provided, shall be continuously in proper operating condition.

- c. **Auxiliary Alarms Functional.**—Reference NFPA 72 paragraph 4-7.2.1.

An auxiliary fire alarm system shall be used only in connection with a public fire alarm reporting system that is suitable for the service.

- d. **Single Station Detectors Functional.**—Reference NFPA 72 paragraph 2-6.2.1.  
Homeowners shall inspect and test smoke detectors and all connected appliances in accordance with the manufacturer’s instructions at least once a month.
- e. **Trouble Signals.**—Reference NFPA 72 paragraph 1-5.4.6.1.  
Trouble signals required to indicate protected premises shall be indicated by distinctive audible signals.
- f. **Secondary Power Supply.**—Reference NFPA 72 paragraph 1-5.2.5.  
The secondary supply shall automatically supply the energy to the system within 30 seconds and without loss of signals wherever the primary supply is incapable of providing the minimum voltage required for proper operation.
- g. **Detector Condition and Testing.**—Reference NFPA 72 paragraph 7-3.1.1.  
Visual inspection shall be performed in accordance with table 7-3.1 or more frequently when required by the authority having jurisdiction. The visual inspection shall be made to ensure that there are no changes that would affect equipment performance, such as building modifications, occupancy hazards, and environmental effects.
- h. **Automatic Door Closures Functional.**—Reference NFPA 80 paragraph 4-8.2.  
Automatically closing doors shall be released from the open position by the actuation of smoke detectors.
- i. **Pull Boxes.**—Reference NFPA 72A paragraph 5-9.1.2.  
Manual fire alarm boxes shall be distributed throughout the protected area so that they are unobstructed, readily accessible, and located in the normal path of exit from the area as follows:
- (a) At least one manual fire alarm box shall be provided on each floor.
  - (b) Additional manual fire alarm boxes shall be provided so that travel distance to the nearest fire alarm box will not be in excess of 200 feet measured horizontally on the same floor.
  - (c) For systems employing automatic fire detectors or water flow detection devices, at least one manual fire alarm box shall be provided to initiate a fire alarm signal.

## 6. ELECTRICAL

- a. **GFCIs provided as required.**—Reference NEC.

*Hotel and motel bathrooms.*—Reference NEC Article 210-8 (b)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed in bathrooms of guestrooms in hotels and motels shall have ground-fault circuit-interrupter protection for personnel.

*Residential unfinished basements and crawl spaces.*—Reference NEC Article 210-8 (a)(4)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed in crawl spaces at or below grade level and in unfinished basements shall have ground-fault circuit-interrupter protection for personnel.

*Residential outdoor receptacles.*—Reference NEC Article 210-8 (a)(3)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed outdoors where there is direct grade level access to the dwelling unit and to the receptacles shall have ground-fault circuit-interrupter protection for personnel.

*Residential garages.*—Reference NEC Article 210-8 (a)(2)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed in garages shall have ground-fault circuit-interrupter protection for personnel.

*Residential receptacles within 6 feet of kitchen sink.*—Reference NEC Article 210-8 (a)(5)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed within 6 feet of a kitchen sink to serve countertop surfaces shall have ground-fault circuit-interrupter protection for personnel.

*Residential bathrooms.*—Reference NEC Article 210-8 (a)(1)

All 125-volt, single-phase, 15- and 20-ampere receptacles installed in bathrooms shall have ground-fault circuit-interrupter protection for personnel.

- b. **Service Properly Grounded.**—Reference NEC Article 210-7 (a).

Receptacles installed on 15- and 20-ampere branch circuits shall be of the grounding type. Grounding-type receptacles shall be installed only on circuits of the voltage class and current for which they are rated.

c. **Appliances Grounded.**—Reference NEC Article 250-45 (d).

Exposed noncurrent-carrying metal parts of cord- and plug-connected equipment likely to become energized shall be grounded. In other than residential occupations, the following items shall be grounded: (1) refrigerators, freezers, and air conditioners; (2) clothes-washing, clothes-drying, and dish-washing machines; electronic computer and data processing equipment; sump pumps, and electrical aquarium equipment; (3) hand-held motor-operated tools, stationary and fixed motor-operated tools, and light industrial motor-operated tools; (4) motor-operated appliances of the following types: hedge clippers, lawn mowers, snow blowers, and wet scrubbers; (5) cord- and plug-connected appliances used in damp or wet locations or by people standing on the ground or on metal floors or working inside metal tanks or boilers; (6) tools likely to be used in wet or conductive locations; and (7) portable hand lamps.

d. **Equipment Grounded.**—Reference NEC Article 250-45.

Exposed, noncurrent-carrying metal parts of cord- and plug-connected equipment likely to become energized shall be grounded (a) in hazardous locations and (b) where operated at over 150 volts to ground.

e. **Overcurrent Protection.**—Reference NEC Article 240-2.

Equipment shall be protected against overcurrent in accordance with the article in this code.

f. **Receptacle Faceplates.**—Reference NEC Article 410-56 (e).

Faceplates shall be installed so as to completely cover the opening and seat against the mounting surface.

g. **Covers on Outlet Boxes.**—Reference NEC Article 370-25.

In completed installations, each outlet box shall have a cover, faceplate, or fixture canopy.

h. **Covers on Switches.**—Reference NEC Article 380-9.

Flush snap switches that are mounted in ungrounded metal boxes and located within reach of conducting floors or other conducting surfaces shall be provided with faceplates of nonconducting, noncombustible material. Faceplates shall be installed so as to completely cover the wall opening and seat against the wall surface.

- i. **Junction Boxes Covered.**—Reference NEC Article 370-27 (c).

All pull boxes, junction boxes, conduit bodies, and fittings shall be provided with covers compatible with the box, conduit body, or fitting construction and suitable for the conditions of use.

- j. **Circuit Breakers Accessible.**—Reference NEC Article 380-8 (a).

All switches and circuit breakers used as switches shall be so located that they may be operated from a readily accessible place. They shall be so installed that the center of the grip of the operating handle of the switch or circuit breaker, when in its highest position, will not be more than 6 1/2 feet above the floor or working platform.

- k. **Circuit Breaker Location.**—Reference NEC Article 240-24 (d).

Overcurrent devices shall not be located in the vicinity of easily ignitable material, such as in clothes closets.

- l. **Circuit Breakers Identified.**—Reference NEC Article 110-22.

Each disconnecting means required by this code for motors and appliances and each service, feeder, or branch circuit at the point where it originates shall be legibly marked to indicate its purpose unless located and arranged so the purpose is evident.

- m. **Unused Openings.**—Reference NEC Article 373-4.

Unused openings in cabinet or cutout boxes shall be effectively closed to afford protection substantially equivalent to that of the wall of the cabinet or cutout box.

- n. **Location of Switchboards.**—Reference NEC Article 384-5.

Switchboards shall be so placed as to reduce to a minimum the probability of communicating fire to adjacent combustible materials. Where installed over a combustible floor, suitable protection thereto shall be provided.

- o. **Electrical Panel Clearance.**—Reference NEC Article 110-16 (a).

Sufficient access and working space shall be provided and maintained around all electrical equipment to permit ready and safe operation and maintenance of such equipment. The work space shall not be less than 30 inches wide in front of the electrical equipment.

- p. **Plugs and Connectors.**—Reference NEC Article 422-22 (d)(1).

Plugs and connectors shall be so constructed and installed as to guard against inadvertent contact with live parts.

- q. **Flexible Cords.**—Reference NEC Article 400-8.
- Unless specifically permitted in section 400-7, flexible cords and cables shall not be (1) used as a substitute for the fixed wiring of a structure; (2) run through holes in walls, ceilings, or floors; (3) run through doorways, windows, or similar openings; (4) attached to building surfaces; (5) concealed behind building walls, ceilings, or floors; or (6) installed in raceways, except as otherwise permitted in this code.
- r. **Equipment Firmly Secured.**—Reference NEC Article 110-13 (a).
- Electrical equipment shall be firmly secured to the surface on which it is mounted. Wooden plugs driven into holes in masonry, concrete, plaster, or similar materials shall not be used.
- s. **Outdoor Receptacles Weatherproof.**—Reference NEC Article 410-57 (b).
- A receptacle installed outdoors where exposed to weather or in other wet locations shall be in a weatherproof enclosure, the integrity of which is not affected when the receptacle is in use.
- t. **On/Off Switches Identified.**—Reference NEC Article 430-104.
- The disconnecting means shall plainly indicate whether it is in the open or closed position.
- u. **Cords Damaged or Deteriorated.**—Reference NEC Article 422-22(d)(1).
- v. **Ground Prong Missing.**—Reference 29 CFR 1910.304 (f)(4).
- w. **Temporary Electrical Cord Used as Permanent Wiring.**—Reference 29 CFR 1910.305 (a)(2)(i).
- x. **Unused Openings in Electrical Boxes.**—Reference 29 CFR 1910.305 (b)(1).
- y. **Cover Plate Required.**—Reference 29 CFR 1910.305 (b)(2).
- A cover plate is required on electrical receptacles and junction boxes.
- z. **Cover Plate Required.**—Reference NEC 384-7.
- A cover plate is required on light switches.



## 7. EMERGENCY LIGHTS

- a. **Batteries.**—Reference NFPA 101 paragraph 5-9.2.4.

Battery-operated emergency lights shall use only reliable types of rechargeable batteries that are provided with suitable facilities for maintaining them in a properly charged condition.

- b. **Lights Functional.**—Reference NFPA 101 paragraph 5-9.2.2 and 29 CFR 1910.36 (d)(2).

The emergency lighting system shall be arranged to provide the required illumination automatically in the event of any interruption of normal lighting. Every automatic sprinkler system, fire detection and alarm system, exit light, fire door, and other item of equipment, where provided, shall be continuously in proper operating condition.

- c. **Testing and Records.**—Reference NFPA 101 paragraph 31-1.3.7.

A functional test shall be conducted on every required emergency lighting system at 30-day intervals for a minimum of 30 seconds. An annual test shall be conducted for 1 1/2 hours. Written records of visual inspections and tests shall be kept by the owner for inspection by the authority having jurisdiction.

- d. **Required.**—Reference 29 CFR 1910.36 (b)(6).

## 8. EMERGENCY PROCEDURES

- a. **Use of First Aid Fire Fighting Equipment.**—Reference 29 CFR 1910.157 (g)(1).

Where the employer has provided portable fire extinguishers for employee use in the workplace, the employer shall also provide an educational program to familiarize employees with the general principles of fire extinguisher use and the hazards involved with incipient stage fire fighting.

- b. **Employees Instructed on Duties.**—Reference NFPA 101 paragraph 31.

Employees in the following occupations shall be instructed on the duties they are to perform in the event of fire, panic, or other emergency.

*Assembly occupations.*—NFPA 101 paragraph 31-2.2.2

Employees or attendants who are responsible for managing assembly areas shall be instructed in the proper use of portable fire extinguishers and other manual fire suppression equipment, if provided.

***Health care occupations.***—NFPA 101 paragraph 31-4.2.3

All facility personnel shall be instructed in the use of and response to fire alarms, and in addition, they shall be instructed in the use of the code phrase to ensure transmission of an alarm under the following conditions:

- (a) When the individual who discovers a fire must immediately go to the aid of an endangered person.
- (b) During a malfunction of the building fire alarm system.

***Detention occupations.***—NFPA 101 paragraph 31-5.1.4

Employees of detention and correctional occupations shall be instructed in the proper use of portable fire extinguishers and other manual fire suppression equipment.

***Residential occupations.***—NFPA 101 paragraph 31-6.1.1

Employees of hotels shall be instructed and drilled in the duties they are to perform in the event of fire, panic, or other emergency.

c. **Employees Drilled on Duties.**—Reference NFPA 101 paragraph 31-1.5.

Employees of the following occupations shall be drilled in the duties they are to perform in the event of fire, panic, or other emergency:

***Assembly occupations.***—NFPA 101 paragraph 31-2.2.1

The employees or attendants who are responsible for managing assembly areas shall be schooled and drilled in the duties they are to perform in case of fire, panic, or other emergency to effect orderly exiting.

***Detention occupations.***—NFPA 101 paragraph 31 section 31-5.1.3

All employees shall be instructed and drilled with respect to their duties for detention areas.

***Residential occupations.***—NFPA 101 paragraph 31-6.1.2

Drills of the emergency organization shall be held at quarterly intervals, covering such points as the operation and maintenance of the available first aid fire appliances, testing of devices to alert guests, and studying instructions for emergency duties.

- d. **Fire Exit Drills.**—Reference NFPA 101 paragraph 31.

Employees, residents, and students in the following occupations shall take part in fire exit drills in accordance with the applicable provisions of the code or policy.

**Educational occupations.**—NFPA 101 paragraph 31-3.1.2

There shall be at least two fire exit drills held during the first 2 weeks of a school term and eight additional fire exit drills during the year.

**Day care centers.**—NFPA 101 paragraph 31-3.5.2

An approved Fire Evacuation Plan shall be executed not less than once per month.

**Health care occupations.**—NFPA 101 paragraph 31-4.1.2

Fire exit drills in health care occupations shall include the transmission of a fire alarm signal and simulation of emergency fire conditions. Drills shall be conducted quarterly on each shift to familiarize facility personnel with signals and emergency action required under varied conditions.

**Dormitories.**—Reference NFPA 101 paragraph 31-6.3.1

Fire exit drills shall be regularly conducted in accordance with 31-1.5. A minimum of one fire exit drill per season, the first within 21 days of occupancy.

## 9. EXIT SIGNS

- a. **Illumination.**—Reference NFPA 101 paragraph 5-10.3.1 and NEC Article 700-12.

Every sign shall be suitably illuminated by a reliable light source. Externally and internally illuminated signs shall be visible in both the normal and emergency lighting mode. Current supply shall be such that, in the event of failure of the normal supply to or within the building or group of buildings concerned, emergency lighting or emergency power or both will be available within the time required for the application or within 10 seconds, whichever is less.

- b. **Signs Blocked.**—Reference NFPA 101 paragraph 31-1.2.3.1.

No furnishings, decorations, or other objects shall be placed so as to obstruct access to exists, passage through exits, or the visibility of exits.

- c. **Signs Missing.**—Reference NFPA 101 paragraph 9-2.10 and paragraph 5-10.1.2.

Exits shall be marked by an approved sign readily visible from any direction of exit access.

- d. **“No Exit” Signs.**—Reference NFPA 101 paragraph 5-10.4.2.

Any door, passage, or stairway that is neither an exit nor a way of exit access and that is located or arranged so that is likely to be mistaken for an exit, shall be identified by a sign reading “No Exit.”

## 10. EXITS

- a. **Visibility.**—Reference 29 CFR 1910.37 (f)(4).

Exit ways and the doors to exits to which they lead shall be so designed and arranged as to be clearly recognizable as an exit. Hangings or draperies shall not be placed over exit doors or otherwise so located as to conceal or obscure any exit. Mirrors shall not be placed on exit doors. Mirrors shall not be placed in or adjacent to any exit in such a manner as to confuse the direction of exit.

- b. **Exits Unobstructed.**—Reference NFPA 101 paragraph 31-1.2.

Every required exit access, exit, or exit discharge shall be continuously maintained free of all obstructions or impediments to full instant use in the case of fire or other emergency.

- c. **Locked.**—Reference 29 CFR 1910.36 (b)(4).

In every building or structure, exits shall be so arranged and maintained as to provide free and unobstructed egress from all parts of the building or structure at all times when it is occupied. No lock or fastening to prevent free escape from the inside of any building shall be installed except in mental, penal, or corrective institutions where supervisory personnel are continuously on duty and effective provisions are made to remove occupants in case of a fire or other emergency.

- d. **Marked.**—Reference 29 CFR 1910.36 (b)(5) and NFPA 101 paragraph 5-10.1.4.

Every exit shall be clearly visible or the route to reach it shall be conspicuously indicated in such a manner that every occupant of every building or structure who is physically and mentally capable will readily know the direction of escape from any point, and each path of escape, in its entirety, shall be so arranged or marked that the way to a place of safety outside is unmistakable. Access to exits shall be marked by approved, readily visible signs in all cases where the exit or way to reach it is not readily apparent to the occupants. Sign placement shall be such that no point in the exit access is more than 100 feet from the nearest visible sign.

- e. **Storage in Exitways.**—Reference 29 CFR 1910.37 (k)(2) and (l)(1).

Storage of material in the exit path is prohibited

## 11. FIRE EXTINGUISHERS

- a. **In Service.**—Reference NFPA 10 paragraph 1-6.2.

Portable fire extinguishers shall be maintained in a fully charged and operable condition and kept in their designated places at all times when they are not being used.

- b. **Inspection Tag.**—Reference NFPA 10 paragraph 4-4.3.

Each fire extinguisher shall have a tag or label securely attached that indicates the month and year the maintenance was performed and that identifies the person performing the service.

- c. **Monthly Inspection.**—Reference NFPA 10 paragraph 4-3.1, 4-3.4.3 paragraph (d)(3) 29 CFR 1910.157 (e)(2).

Fire extinguishers shall be inspected when initially placed in service and thereafter at approximately 30-day intervals. Fire extinguishers shall be inspected at more frequent intervals when circumstances require. Records shall be kept on a tag or label attached to the fire extinguisher or in an electronic system that provides a permanent record. Portable extinguishers or hose used in lieu thereof under paragraph (d)(3) of this section shall be visually inspected monthly.

- d. **Halon Extinguisher Inspections.**—Reference NFPA 12A paragraph 4-1.1.

At least semiannually, all systems shall be thoroughly inspected, tested, and documented for proper operation by trained competent personnel.

- e. **Annual Maintenance/Records.**—Reference 29 CFR 1910.157 (e)(3) and NFPA 10 paragraph 4-4.3.

The employer shall ensure that portable fire extinguishers are subjected to an annual maintenance check. Each fire extinguisher shall have a tag or label securely attached that indicates the month and year the maintenance was performed and that identifies the person performing the service.

- f. **Six-Year Maintenance.**—Reference NFPA 10 paragraph 4-4.1.4.

Every 6 years, stored pressure fire extinguishers that require a 12-year hydrostatic test shall be emptied and subjected to the applicable maintenance procedures.

- g. **Hydrostatic Test.**—Reference 29 CFR 1910.157 (f) table L-1.  
The employer shall ensure that hydrostatic testing is performed by trained personnel with suitable testing equipment and facilities. The employer shall ensure that portable extinguishers are hydrostatically tested at the intervals listed in table L-1 of this section.
- h. **Fully Charged.**—Reference NFPA 10 paragraph 4-5.1.1.  
All rechargeable-type fire extinguishers shall be recharged after any use or as indicated by an inspection or when performing maintenance.
- i. **File Record.**—Reference NFPA 10 paragraph A-4-4.3.  
In addition to the required tag or label, a permanent file record should be kept for each fire extinguisher.
- j. **Manual Pulls Labeled.**—Reference NFPA 12A paragraph 2-3.3.10.  
All manual-operating devices shall be identified as to the hazard they protect.
- k. **Training.**—Reference 29 CFR 1910.157 (g).  
Employees must be trained in the use of appropriate equipment.
- l. **Halon Safety Training.**—Reference NFPA 12A paragraph 4-6.1.  
Personnel working in a halon-protected enclosure shall receive training on halon safety issues.
- m. **Adequate Distribution.**—Reference NFPA 10 paragraph 3.  
The minimum number and placement of fire extinguishers needed to protect property shall be determined as outlined in paragraph 3.
- n. **Obstruction.**—Reference NFPA 10 paragraph 1-6.6.  
Fire extinguishers shall not be obstructed or obscured from view.
- o. **Correct Rating and Type.**—Reference NFPA 10 paragraph 2-2.1.  
Fire extinguishers shall be selected for the class(es) of hazards to be protected.
- p. **Height of Mounting.**—Reference NFPA 10 paragraph 1-6.10.  
Fire extinguishers having a gross weight not exceeding 40 pounds shall be installed so that the top of the fire extinguisher is not more than 5 feet above the floor. Fire extinguishers having a gross weight greater than 40 pounds shall be so

installed that the top of the fire extinguisher is not more than 3 1/2 feet above the floor. In no case shall the clearance between the bottom of the fire extinguisher and the floor be less than 4 inches.

- q. **Tamper Seals and Pins.**—Reference NFPA 10 paragraph 4-3.2.

Safety seals and tamper indicators shall not be broken or missing.

## 12. FIRE AND SMOKE DOORS

- a. **Doors Blocked and Obstructed.**—Reference NFPA 80 paragraph 15-2.3.

Door openings and the surrounding areas shall be kept clear of everything that would obstruct or interfere with the free operation of the door. Blocking or wedging of doors in the open position shall be prohibited.

- b. **Automatic Release Functional.**—Reference NFPA 80 paragraph 15-2.4.

Self-closing devices shall be kept in proper working condition at all times. Swinging doors normally held in the open position and equipped with automatic closing devices shall be operated at frequent intervals to ensure proper operation.

- c. **Operating Hardware Functional.**—Reference NFPA 80 paragraph 15-2.1.1 and 29 CFR 1910.36 (d)(2).

Hardware shall be examined frequently, and any parts found to be inoperative shall be replaced immediately. Every automatic sprinkler system, fire detection and alarm system, exit light, fire door, and other item of equipment, where provided, shall be continuously in proper operating condition.

- d. **Clearance Between Door and Frame.**—Reference NFPA 80 paragraph 2-5.4.

The clearance between the door and frame and between meeting edges of nonsteel doors swinging in pairs, shall be 1/8 inch or 1/16 inch for steel doors and shall not exceed 1/8 inch for wood doors.

- e. **Clearance Between Door and Sill.**—Reference NFPA 80 paragraph 2-5.5.

The clearance under the door shall be as follows:

- (a) The clearance between the bottom of the door and a raised noncombustible sill shall not exceed 3/8 inch.
- (b) Where there is no sill, the clearance between the bottom of the door and the floor shall not exceed 3/4 inch.

(c) The clearance between the bottom of the door and the rigid floor tile shall not exceed 5/8 inch.

f. **Smoke Seals.**—Reference UBC 3305 (h) and NFPA 101 paragraph 16-3.6.2.

When corridor walls are required to be of 1-hour fire restrictive construction, every interior door opening shall be protected by a tight fitting smoke and draft control assembly having a fire protection rating of not less than 20 minutes. Smoke and draft control door assemblies shall be provided with a gasket so installed as to provide a seal where the door meets the stop on both sides and across the top.

g. **Repair of Doors.**—Reference NFPA 80 paragraph 15-2.5.

Broken or damaged glazing material shall be replaced with labeled glazing. Any breaks in the face covering of doors shall be repaired immediately.

h. **Fusible Links.**—Reference NFPA 80 paragraph 15-2.4.4.

Fusible links or other heat-actuated devices and release devices shall not be painted.

i. **Self Closures.**—Reference NFPA 80 paragraph 2-8.8.1.

The door shall swing easily and freely and shall be equipped with a closing device to cause the door to close and latch each time it is opened. The closing mechanism shall not have a hold-open feature.

j. **Swing Direction.**—Reference 29 CFR 1910.37 (f)(2).

A door from a room to an exit or to a way of exit access shall be of the side-hinged, swinging type. It shall swing in the direction of exit travel if the room capacity is more than 50 people or if the room is used for a high-hazard occupancy.

## 13. HAND AND PORTABLE POWER TOOLS

a. **Guards.**—Reference 29 CFR 1910.212 (a)(1).

One or more methods of machine guarding shall be provided to protect the operator and other employees in the machine area from hazards such as those created by point of operation, nip points, rotating parts, flying chips, and sparks.



- b. **Electric Tools GFCI Protected.**—Reference NEC Article 305-6 (a).

On construction sites, all 125-volt, single-phase, 15- and 20-ampere receptacle outlets that are not a part of the permanent wiring of the building or structure and that are in use by personnel shall have ground-fault circuit-interrupter protection for personnel.

- c. **Electric Tools and Receptacles Grounded.**—Reference NEC Article 250-45.

Exposed noncurrent-carrying metal parts of cord- and plug-connected equipment likely to become energized shall be grounded.

## 14. HEATING APPLIANCES

- a. **Air Filters.**—Reference NFPA 90A Appendix B-3.1.

All air filters should be kept free of excess dust and combustible material. Unit filters should be renewed or cleaned when the resistance to airflow has increased to 2 times the original resistance or when the resistance has reached a value of recommended replacement by the manufacturer. Provide a suitable draft gage for the purpose. If the filters are of the automatic liquid adhesive type, sludge should be regularly removed from the liquid adhesive reservoir.

- b. **Portable Heaters.**—Reference NFPA 1 paragraph 32-3.2.

All portable electric heaters shall be equipped to de-energize electric power to the unit when tilted or turned over.

## 15. HOISTS, CRANES AND LIFT TRUCKS

- a. **Inspection.**—Reference 29 CFR 1910.179 (j)(1)(ii).

The inspection procedure for cranes in regular service is divided into two general classifications based upon the intervals at which inspections should be performed. The intervals, in turn, depend on the nature of the critical components of the crane and the degree of their exposure to wear, deterioration, or malfunction. The two general classifications are herein designated as “frequent” and “periodic.” The respective intervals between inspections are defined below:

- (a) Frequent inspection—daily to monthly intervals
- (b) Periodic inspection—1- to 12-month intervals

- b. **Preventive Maintenance.**—Reference 29 CFR 1910.179 (l)(1).

A Preventive Maintenance Program based on the crane manufacturer's recommendations shall be established.

- c. **Rated Load Marked.**—Reference 29 CFR 1910.179 (b)(5).

The rated load of the crane shall be plainly marked on each side of the crane, and if the crane has more than one hoisting unit, each hoist shall have its rated load marked on it or its load block, and this marking shall be clearly legible from the ground or floor.

- d. **Cranes Inspected.**—Reference 29 CFR 1910.179 (m)(2) and 1910.179 (j)(2).

Cranes idle for 1 month or more but less than 6 months are not inspected before being placed back into service.

- e. **Cranes Inspected.**—Reference 29 CFR 1910.179 (m)(2) and 1910.179 (j)(2) and 1910.179 (j)(3).

Cranes idle for 6 months or more must have complete inspections.

- f. **Crane Safety Latch.**—Reference 29 CFR 1910.179 (h)(4).

Crane hooks shall have a safety latch.

- g. **Chain Hoist Inspected.**—Reference 29 CFR 1910.184 (e)(3)(I).

## 16. HOUSEKEEPING

- a. **Work Areas Maintained in Clean, Orderly Condition.**—Reference 29 CFR 1910.22 (a)(1).

All places of employment, passageways, storerooms, and service rooms shall be kept clean and orderly and in a sanitary condition.

- b. **Work Areas Free of Obstruction.**—Reference 29 CFR 1910.22 (a)(3).

To facilitate cleaning, every floor, working place, and passageway shall be kept free from protruding nails, splinters, holes, or loose boards.

- c. **Aisle and Passageway Clearance.**—Reference 29 CFR 1910.22 (b)(1).

Where mechanical handling equipment is used, sufficient safe clearances shall be allowed for aisles, at loading docks, through doorways, and wherever turns or passage must be made. Aisles and passageways shall be kept clear and in good repair, with no obstruction across or in aisles that could create a hazard.

- d. **Tripping Hazards Painted.**—Reference 29 CFR 1910.144 (a)(3).

Yellow shall be the basic color for designating caution and for marking physical hazards such as striking against, stumbling, falling, tripping, and “caught in between.”

- e. **Storage in Means of Egress.**—Reference NFPA 101 paragraph 31-1.2.1.

Every required exit access or exit discharge shall be continuously maintained free of all obstructions or impediments to full instant use in the case of fire or other emergency.

- f. **Ice or Snow on Exterior Steps.**—Reference NFPA 101 paragraph 31-1.2.2.

Every exit shall be free of obstructions that would prevent its use, including the accumulation of snow and ice.

- g. **Trash Removal.**—Reference NFPA 1 paragraph 3-11.1 and 3-11.2.

No person owning or having control of any property shall allow any combustible waste material to accumulate in any area or in any manner to create a fire hazard to life or property. Combustible waste or refuse shall be properly stored or disposed of to prevent unsafe conditions.

- h. **Ash Disposal.**—Reference NFPA 1 paragraph 3-1.2.

It shall be illegal for any person to throw or place, or cause to be thrown or placed, any lighted match, cigar, cigarette, or other flaming or glowing substance or thing on any surface or article where it may cause or start a fire.

- i. **Dirty Rag Storage.**—Reference NFPA Inspection Manual paragraph 13, Article 11 Division II section 11.201.

Oil- and grease-laden rags shall be stored in noncombustible containers with lids.

- j. **Control of Nonsmoking Areas.**—Reference NFPA 1 paragraph 3-3.2.

Where smoking is considered a fire hazard, the authority having jurisdiction shall be authorized to issue to the owner a written order to post “No Smoking” signs in conspicuous locations where smoking is prohibited.

- k. **Control of Smoking Debris.**—Reference NFPA 1 paragraph 3-3.3.

In areas where smoking is permitted, noncombustible ashtrays shall be provided.

- l. **Proper Storage of Liquefied Gas.**—Reference NFPA 30 paragraph 1-3 and paragraph 4-5.1.4.

Liquids shall be stored in tanks or containers in accordance with paragraph 2 or paragraph 4. Temporary storage of liquids used for building maintenance, painting, or other similar infrequent maintenance purposes shall be permitted in closed containers outside storage cabinets or inside liquid storage areas if the quantity is limited to an amount that does not exceed a 10-day supply at anticipated rates of use.

- m. **Safety Cans.**—Reference 29 CFR 1910.106 (d)(2)(iii) and (a)(29).

Only approved containers (safety cans) and portable tanks shall be used. Containers used to store flammable and combustible liquids shall meet the requirements of and be in accordance with table H-12 of said 29 CFR 1910.106. “Safety can” shall mean an approved container of not more than 5 gallons capacity that has a spring-closing lid and spout cover and is designed so that it will safely relieve internal pressure when subjected to fire exposure.

- n. **Food Storage.**—Reference 29 CFR 1910.141 (g)(4).

No food or beverages shall be stored in toilet rooms or in an area exposed to a toxic material.

- o. **Interior Decorations.**—Reference NFPA 101 paragraph 31-1.4.1 and NFPA 101 paragraph 31-1.2.3.2.

Where required, draperies, curtains, and other similar loosely hanging furnishings and decorations shall be flame resistant. Hangings or draperies shall not be placed over exit doors or otherwise be located to conceal or obscure any exit.

- p. **Clearance Below Sprinkler Heads.**—Reference NFPA 13 paragraph 4-4.1.6.

A minimum 18-inch clearance shall be maintained between the top of storage and ceiling sprinkler deflectors.

- q. **Seating and Table Arrangements.**—Reference NFPA 101 paragraph 9-1.7.2.

The occupant load permitted in a building or portion thereof shall be permitted to be increased above that specified in NFPA 101 paragraph 9-1.7.1 if the necessary aisles and exits are provided. Before increasing the occupant load, a diagram indicating the placement of equipment, aisles, exits, and seating shall be provided to and approved by the authority having jurisdiction.

- r. **Air Nozzles.**—Reference 29 CFR 1910.242 (b).  
  
Compressed air shall not be used for cleaning purposes except when reduced to less than 30 pounds per square inch and then only if effective chip guarding and personal protective equipment are used.
- s. **Fire Lanes.**—Reference NFPA 1 paragraph 3-5.5.  
  
Fire lanes shall be maintained free of all obstructions at all times.
- t. **Combustible Storage.**—Reference NFPA 86 paragraph 2-1.5.4.  
  
Combustible material shall be located as far as practical from a furnace, furnace heater, or ductwork.
- u. **Flammable Liquids Stored in Offices.**—Reference 29 CFR 1910.106 (d)(5)(iii).
- v. **“Jerry” Cans Prohibited.**—Reference 29 CFR 1910.106 (d)(2)(i).
- w. **Flammable Liquid Storage Room Ventilation.**—Reference 29 CFR 1910.106 (d)(4)(iv).  
  
Gravity or mechanical ventilation is required.
- x. **Safety Cans.**—Reference 29 CFR 1910.106 (d)(2)(i).  
  
Safety cans are required for storage of flammable material.
- y. **Light Bulbs Guarded.**—Reference 29 CFR 1910.305 (j)(1)(i).  
  
Fixtures, lamp holders, lamps, rosettes, and receptacles may have no live parts exposed. However, rosettes and clear-type lamp holders and receptacles located at least 8 feet above the floor may have exposed parts.
- z. **Floors Dry.**—Reference 29 CFR 1910.22 (a)(2).

## 17. KITCHENS AND HOOD SYSTEMS

- a. **Hood and Ducts Clean.**—Reference NFPA 96 paragraph 8-3.1.  
  
Hoods, grease removal devices, fans, ducts, and other appurtenances shall be cleaned to bare metal at frequent intervals before surfaces become heavily contaminated with grease or oily sludge. After the exhaust system is cleaned to bare metal, it shall not be coated with powder or other substances.

- b. **Inspection Certificate.**—Reference NFPA 96 paragraph 8-3.1.1.

When a vent cleaning service is used, a certificate showing the date of the inspection or cleaning shall be maintained on the premises. Areas not cleaned shall be noted.

- c. **Grease Filters Installed.**—Reference NFPA 96 paragraph 8-1.2.

Filter-equipped exhaust systems shall not be operated with filters removed.

- d. **Fusible Links Replaced Annually.**—Reference NFPA 96 paragraph 8-2.1.2.

Fusible links (including fusible links on fire-actuated damper assemblies) and automatic sprinkler heads shall be replaced at least annually and more frequently, if necessary, to ensure proper operation of the system. Other detection devices shall be serviced or replaced in accordance with the manufacturer's recommendations.

- e. **Extinguishing System in Service.**—Reference NFPA 96 paragraph 7-1.2.

Cooking equipment (such as deep fat fryers, ranges, griddles, and broilers) that might be a source of ignition of grease in the hood, grease removal device, or duct shall be protected by approved extinguishing equipment.

- f. **Access to Manual Release for Extinguishing System.**—Reference NFPA 96 paragraph 7-3.1.1.

A readily accessible means for manual activation of the fire extinguishing system shall be provided in a path of exit or egress and shall be clearly identified. Such means shall be mechanical and shall not rely on electrical power for actuation.

- g. **Instructions for Manual Operation of Extinguishing System.**—Reference NFPA 96 paragraph 8-1.4.

Instructions for manually operating the fire extinguishing system shall be posted conspicuously in the kitchen. Management, together with the employees, shall review the instructions periodically.

- h. **Six-Month Inspection Records for Hood Systems.**—Reference 29 CFR 1910.263 (l)(15)(iii).

Duct systems (in ovens) operating under pressure shall be tested for tightness in the initial starting of the oven and also at intervals of not more than 6 months.

- i. **Grease Trap Provided.**—Reference NFPA 96 paragraph 3-2.6.

Filters shall be equipped with a drip tray beneath the lower edge of the filters. The tray shall be kept to the minimum size needed to collect the grease and shall be pitched to drain into an enclosed metal container having a capacity not exceeding 1 gallon.

- j. **Deep Fat Fryer Installation.**—Reference NFPA 96 paragraph 9-1.2.2.

All deep fat fryers shall be installed with at least a 16-inch space between the fryer and surface flames from adjacent cooking equipment.

- k. **High Limit Controls for Deep Fat Fryer.**—Reference NFPA 96 paragraph 9-2.

Deep fat fryers shall be equipped with a separate high-limit control in addition to the adjustable operating control (thermostat) to shut off fuel or energy when the fat temperature reaches 475 degrees at 1 inch below the surface.

## 18. LADDERS AND SCAFFOLDS

- a. **Inspection and Maintenance.**—Reference 29 CFR 1910.27 (f).

All ladders shall be maintained in a safe condition. All ladders shall be inspected regularly, with the intervals between inspections determined by use and exposure.

- b. **Safety Feet.**—Reference 29 CFR 1910.26 (a)(3)(vii).

The bottoms are to be supplied with insulating nonslip material for the safety of the user.

## 19. LIQUEFIED PETROLEUM GAS YARDS AND PORTABLE CONTAINERS

- a. **Location of Containers.**—Reference 29 CFR 1910.110 (b)(6)(ii).

Each individual container shall be placed or situated with respect to the location of nearby important buildings or groups of buildings in accordance with table H-23.

- b. **Facilities.**—Reference Uniform Plumbing Code (UPC) 1215 (e) and 1215 (f).

LPG facilities shall not be located in any pit or basement, under show windows or interior stairways, or in engine, boiler, heater, or electric meter rooms. When not prohibited by another regulation, approved LPG metering devices may be located in the open under exterior stairways. LPG piping shall not serve any gas water heater located in a pit or basement where heavier than air gas might collect to form a flammable mixture.

- c. **Firm Foundation.**—Reference 29 CFR 1910.110 (c)(4)(ii).

Containers shall be set upon a firm foundation or otherwise firmly secured; the possible effect on the outlet piping of settling shall be guarded against by a flexible connection or special fitting.

- d. **Separated from Flammable Liquids.**—Reference 29 CFR 1910.110 (b)(6)(vii).

The minimum separation between LPG containers and flammable liquid tanks shall be 20 feet, and the minimum separation between a container and the centerline of the dike shall be 10 feet.

- e. **Venting.**—Reference 29 CFR 1910.10 (d)(4)(ii)(e).

On a container having a water capacity greater than 2,000 gallons, the discharge from the safety relief valves shall be vented away from the container upwards to a point at least 7 feet above the container and unobstructed to the open air in such a manner as to prevent any impingement of escaping gas upon the container; loose-fitting rain caps shall be used.

- f. **Shutoff Valves.**—Reference NFPA 58 paragraph 2-3.3.

Shutoff valves shall be installed and maintained in accordance with this code.

- g. **Tanks Painted.**—Reference 29 CFR 1910.110 (b)(10)(vi).

In certain locations, sustained high temperatures prevail that are sufficient to require the storage of a lower vapor pressure product or the use of a higher designed pressure vessel to prevent the safety valves opening as a result of these temperatures. As an alternative, the tanks may be protected by cooling techniques, such as by spraying, shading, or other effective means.

- h. **Container Condition.**—Reference NFPA 58 paragraph 2-2.1.6.

Containers showing serious denting, bulging, gouging, or excessive corrosion shall be removed from service.

- i. **Protection of Container Accessories.**—Reference 29 CFR 1910.110 (d)(8)(i).

Valves and regulating and gauging equipment and other container accessory equipment shall be protected against tampering and physical damage. Such accessories shall also be so protected during the transit of containers intended for installation underground.



- j. **Protection from Tampering.**—Reference NFPA 58 paragraph 3-3.6.

To minimize the possibilities for trespassing and tampering, the area that includes container appurtenances, pumping equipment, loading and unloading facilities, and container-filling facilities shall be protected by one of the following methods:

- (a) Enclosure with at least a 6-foot-high industrial-type fence.
- (b) Suitable devices that can be locked in place.

- k. **Combustibles in Yard.**—Reference 29 CFR 1910.110 (b)(6)(vi).

Readily ignitable material such as weeds and long dry grass shall be removed within 10 feet of any container.

- l. **Fire Extinguisher Required.**—Reference 29 CFR 1910.110 (d)(14)(i).

Each bulk plant shall be provided with at least one approved portable fire extinguisher having a minimum rating of 12-B,C.

- m. **Requalification.**—Reference NFPA 58 paragraph 2-2.1.4 (b).

DOT cylinders shall not be refilled, continued in service, or transported unless they are properly qualified or requalified for LPG service in accordance with DOT regulations.

## 20. MACHINERY AND EQUIPMENT

- a. **General Safeguarding.**—Reference 29 CFR 1910.212 (a)(2).

Guards shall be affixed to the machine where possible and secured elsewhere if for any reason attachment to the machine is not possible. The guard shall be such that it does not present an accident hazard in itself.

- b. **Point of Operation Safeguarding.**—Reference 29 CFR 1910.212(a)(3)(ii).

The point of operation of machines that expose employees to injury shall be guarded.

- c. **Reset Switches.**—Reference 29 CFR 1910.213 (b)(3).

On applications where injury to the operator might result if motors were to restart after power failures, provisions shall be made to prevent machines from automatically restarting upon restoration of power.

- d. **Machines Anchored.**—Reference 29 CFR 1910.212 (b).

Machines designed for a fixed location shall be securely anchored to prevent walking or moving.

- e. **Grinding Wheel Tool Rest.**—Reference 29 CFR 1910.215 (a)(4).

On offhand grinding machines, work rests shall be used to support the work. They shall be of rigid construction and designed to be adjustable to compensate for wheel wear. Work rests shall be kept close to the wheel, with a maximum opening of 1/8 inch to prevent the work from being jammed between the wheel and the rest, which may cause wheel breakage. The work rest shall be securely clamped after each adjustment. The adjustment shall not be made with the wheel in motion.

- f. **Ripsaws.**—Reference 29 CFR 1910.213 (c)(2).

Each hand-fed circular rip saw shall be furnished with a spreader to prevent material from squeezing the saw or being thrown back on the operator.

## 21. OTHER

- a. **OSHA Required Postings.**—Reference 29 CFR 1903.2 (a)(1).

Each employer shall post, and keep posted, a notice or notices to be furnished by OSHA, U.S. Department of Labor, informing employees of the protections and obligations provided for in the act and that for assistance and information, including copies of the act and of specific safety and health standards, employees should contact the employer or the nearest office of the Department of Labor.

- b. **MSDSs.**—Reference 29 CFR 1910.1200 (g)(1).

Chemical manufacturers and importers shall obtain or develop an MSDS for each hazardous chemical they produce or import. Employers shall have an MSDS in the workplace for each hazardous chemical they use.

- c. **Required Labeling.**—Reference 29 CFR 1910.1200 (f)(9).

The employer shall ensure that labels or other forms of warning are legible, in English, and prominently displayed on the container or readily available in the work area throughout each work shift.

- d. **Hazard Communication Program.**—Reference 29 CFR 1910.1200 (e)(1).

Employers shall develop, implement, and maintain at each workplace a written hazard communication program that at least describes how the criteria of this section for labels and other forms of warning, MSDSs, and employee information and training will be met.

- e. **Hazardous Materials Inventory/Index.**—Reference 29 CFR 1910.1200 (e)(1)(i).

The Hazard Communication Program will include a list of the hazardous chemicals known to be present using an identity that is referenced on the appropriate MSDS.

## 22. PLANS

- a. **Disaster Preparedness.**—Reference 29 CFR 1910.38 (a)(1).

This paragraph (a) applies to all Emergency Action Plans required by a particular OSHA standard. The Emergency Action Plan shall be in writing and shall cover those designated actions that employers and employees must take to ensure employee protection from fire and other emergencies.

- b. **Chemical Emergencies/Spills.**—Reference 29 CFR 1910.120 (b)(1)(i).

Employers shall develop and implement a written safety and health program for their employees who are involved in hazardous waste operations. The program shall be designed to identify, evaluate, and control safety and health hazards, and provide for emergency response for hazardous waste operations.

- c. **Fire Evacuation.**—Reference 29 CFR 1910.38 (a)(4).

The employer shall establish in the Emergency Action Plan the types of evacuation to be used in emergency circumstances.

- d. **Training.**—Reference 29 CFR 1910.38 (a)(5).

Before implementing the Emergency Action Plan, the employer shall designate and train a sufficient number of people to assist in the safe and orderly emergency evacuation of employees.

## 23. RADIAL SAWS

- a. **Adjustable Stop.**—Reference 29 CFR 1910.213 (h)(3).

An adjustable stop shall be provided to prevent the forward travel of the blade beyond the position necessary to complete the cut in repetitive operations.

- b. **Automatic Return.**—Reference 29 CFR 1910.213 (h)(4).

Installation shall be in such a manner that the front end of the unit will be slightly higher than the rear, so as to cause the cutting head to return gently to the starting position when released by the operator.

- c. **Upper Hood.**—Reference 29 CFR 1910.213 (h)(1).

The upper hood shall completely enclose the upper portion of the blade down to a point that will include the end of the saw arbor.

- d. **Nonkickback Device.**—Reference 29 CFR 1910.213 (h)(2).

Each radial saw used for ripping shall be provided with nonkickback fingers or dogs located on both sides of the saw so as to oppose the thrust or tendency of the saw to pick up the material or to throw it back toward the operator.

## 24. RAMPS AND PLATFORMS

- a. **Strength.**—Reference 29 CFR 1910.30 (a)(1).

Portable and powered dock boards shall be strong enough to carry the load imposed on them.

- b. **Surfaces.**—Reference NFPA 101 paragraph 5-2.5.3.2.

A ramp shall have an unobstructed, nonslip surface.

- c. **Handrails and Toeboards.**—Reference 29 CFR 1910.23 (c)(2).

Every runway shall be guarded by a standard railing on all open sides 4 feet or more above floor or ground level. Wherever tools, machine parts, or materials are likely to be used on the runway, a toe board shall also be provided on each exposed side.

## 25. SPRINKLER SUPPRESSION SYSTEMS

- a. **System in Service.**—Reference 29 CFR 1910.36 (d)(2).

Every automatic sprinkler system and fire detection and alarm system, exit light, fire door, and other item, where provided, shall be continuously in proper operating condition.

- b. **Water Flow Alarm Devices.**—Reference NFPA 13 paragraph 4-7.1.1.1.

Local water flow alarms shall be provided on all sprinkler systems having more than 20 sprinklers.

- c. **Antifreeze Systems.**—Reference NFPA 13 paragraph A-3-5.1 and NFPA 13 paragraph 3-5.1.

Antifreeze solutions may be used for maintaining automatic sprinkler protection in small unheated areas. The use of antifreeze solutions shall be in conformity with State and local health regulations.

- d. **Air Supply.**—Reference NFPA 13 paragraph 3-2.6.2.

The compressed air supply shall be from a source available at all times and having a capacity capable of restoring normal air pressure in the system within 30 minutes.

- e. **Inspection, Test, and Maintenance Records.**—Reference NFPA 25 paragraph 2.

Once each year, sprinklers shall be inspected from the floor level. Where sprinklers have been in service for 50 years, they shall be replaced or representative samples shall be submitted to a recognized testing laboratory acceptable to the authority having jurisdiction over operational testing. Replacement sprinklers shall have the proper characteristics for the application intended. Records of inspections, tests, and maintenance of the system and its components shall be retained by the owner.

- f. **Control Valves Open and Secured.**—Reference NFPA 13 paragraph 4-6.1.1.3.

Valves on connections to water supplies, sectional control valves, and other valves in supply pipes to sprinklers shall be controlled by one of the following:

- (a) Central station, proprietary, or remote station signaling service
- (b) Local signaling service that will cause the sounding of an audible signal at a constantly attended point
- (c) Valves locked in the open position

- (d) Valves located within fenced enclosures under the control of the owner, sealed in the open position, and inspected weekly as part of an approved procedure
- g. **Sprinkler Temperature Ratings.**—Reference NFPA 13 paragraph 4-3.1.3.1.  
Ordinary temperature-rated sprinklers shall be used throughout buildings.
- h. **Spare Sprinklers.**—Reference NFPA 13 paragraph 2-2.7.1.  
A supply of spare sprinklers (never fewer than six) shall be maintained on the premises so that any sprinklers can be promptly replaced.
- i. **Valve Identification Tags.**—Reference NFPA 13 paragraph 2-7.3.  
All control, drain, and test connection valves shall be provided with permanently marked weatherproof metal or rigid plastic identification signs.
- j. **Fire Department Connection.**—Reference NFPA 13 paragraph 4-7.2.3.4.  
Fire department connections shall be located and arranged so that hose can be readily and conveniently attached.

## 26. STAIRS

- a. **Lighting.**—Reference 29 CFR 1910.36 (b)(6).  
In every building or structure equipped for artificial illumination, adequate and reliable illumination shall be provided for all exit facilities.
- b. **Tread Surfaces.**—Reference 29 CFR 1910.24 (f).  
All treads shall be reasonably slip resistant.
- c. **Handrails.**—Reference 29 CFR 1910.23 (d)(1).  
Every flight of stairs having four or more risers shall be equipped with standard stair railings or standard handrails as specified in this section.

## 27. STANDPIPE SYSTEMS

- a. **Systems in Service.**—Reference 29 CFR 1910.36 (d)(2).  
Every automatic sprinkler system, fire detection and alarm system, exit light, fire door, and other item, where provided, shall be continuously in proper operating condition.

- b. **Supply Valves Open.**—Reference NFPA 14 paragraph 4-2.8.

System water supply valves, isolation control valves, and other valves in feed mains shall be controlled in an approved manner in the open position by one of the following:

- (a) Central station, proprietary, or remote station signaling service
- (b) Local signaling service that will cause the sounding of an audible signal at a constantly attended point
- (c) Locking valves open
- (d) Sealing valves and conducting an approved weekly recorded inspection of places where valves are located within fenced enclosures under the control of the owner

- c. **Maintenance.**—Reference 29 CFR 1910.158 (e)(2)(iii).

The employer shall ensure that hose systems are inspected at least annually and after each use to ensure that all the equipment and hoses are in place, available for use, and in serviceable condition.

- d. **Testing.**—Reference NFPA 1962 paragraph 2-3.2.

In-service hoses designed for occupant use only shall be removed and service-tested as specified in paragraph 5 at intervals not exceeding 5 years after installation and every 3 years thereafter.

## 28. WATER HEATERS

- a. **Water Heater Accessible.**—Reference UPC 1311.

Every water heater installation shall be accessible for inspection, repair, or replacement. The appliance space shall be provided with an opening or doorway of sufficient size to remove the water heater. In no case shall such opening or doorway be less than 24 inches wide.

- b. **Heater Location.**—Reference UPC 1309.

Water heaters that generate heat by the combustion of fuel shall not be installed in a room used or designed to be used for sleeping purposes or in bathrooms, clothes closets, or in a closet or other confined space opening into a bathroom or bedroom.

- c. **Storage Near Heater.**—Reference 29 CFR 1910.38 (b)(3) and NFPA Inspection Manual paragraph 7 section 3.

The employer shall control accumulations of flammable and combustible waste materials and residues so that they do not contribute to a fire emergency. The usual top and side clearance needed is 6 inches.

- d. **Relief Valve Provided.**—Reference UPC 1007 (c).

Any water system provided with a pressure-regulating device or check valve at its source or any water system containing storage water heating equipment shall be provided with an approved, listed, adequately sized pressure relief valve, except for listed nonstorage instantaneous heaters having an inside diameter of not more than 3 inches.

- e. **Relief Valve Installation.**—Reference UPC 1007 (e).

Relief valves located inside a building shall be provided with a drain not smaller than the relief valve outlet. The relief valves shall be of galvanized steel, hard drawn copper piping and fittings, CPVC or PB with fittings that will not reduce the internal bore of the pipe or tubing (straight lengths as opposed to coils), and shall extend from the valve to the outside of the building with the end of the pipe not more than 2 feet nor less than 6 inches above the ground and pointing downward.

- f. **Venting.**—Reference UPC 1312 (a).

Every water heater designed to be vented shall be connected to a venting system, and such system shall comply with the provisions of UPC 1312 (a), except as provided in this section.

## 29. WELDING

- a. **Ventilation System Provided.**—Reference 29 CFR 1910.252 (c)(iii).

Local exhaust or general ventilating systems shall be provided and arranged to keep the amount of toxic fumes, gases, or dust below the maximum allowable concentration as specified in 29 CFR 1910.

- b. **Area Screened.**—Reference 29 CFR 1910.252 (a)(1)(ii).

If the object to be welded or cut cannot be moved, and if all the fire hazards cannot be removed, then guards shall be used to confine the heat, sparks, and slag and to protect the immovable fire hazards.



### **30. WOODWORKING EQUIPMENT**

- a. **Automatic Restart.**—Reference 29 CFR 1910.213 (b)(3).

Provisions must be made to prevent woodworking equipment from automatically restarting upon restoration of power after a power failure.

### **31. OTHER**

- a. **Fall Protection.**—Reference 29 CFR 1926.501 (b)(11).

Employees working on roofs 6 feet or more above ground shall be protected from falling by guardrail systems with toe boards, safety net systems, or personal fall arrest systems.

**Bureau of Reclamation**

**HAZARD REPORT FORM**

This form is a method of communicating directly with the Area Safety Officer. You may use this form to advise of potential hazards in the area. Any suggestions you have to improve the condition are appreciated and may be included in this report. The Area Safety Officer will investigate all hazard reports and determine the corrective action required. You will be notified of the results if you include your name, address, and telephone number. If you want your name to be kept confidential, please mark the "yes" box below. After you have completed the form, please either send it to the Area Safety Officer or report the hazards by telephone.

**Location and Description of Hazardous Condition or Procedure**

Use backside if additional space is required. You may also attach photographs.

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Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Person initiating report (OPTIONAL) \_\_\_\_\_

Telephone number: \_\_\_\_\_

Do you want this report to be kept confidential?  YES  NO

**For Use By Risk Management Office**

Hazard report number: \_\_\_\_\_ Date received: \_\_\_\_\_

Action taken: \_\_\_\_\_

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Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Area Safety Officer

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(Area Name)

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# CHAPTER 14 – INSURANCE PROGRAM

## GLOSSARY

The following terms and definitions are provided to assist in understanding the insurance program.

**Actual cash value** – The cost of repairing the damaged property or replacing it with property of like kind and quality in the same physical condition. A commonly used definition is “replacement cost less depreciation.”

**Additional named insured** – A person or organization, other than the named insured, who is protected by the terms of the policy.

**Agent** – A member of the agent-insurance company. He or she may represent several insurance companies and, within his or her contractual relationship, exercises expressed or implied authority to act for each of the companies in dealing with the insured. (See “Broker” definition.)

**Agreed amount clause** – A provision in a policy whereby the policyholder agrees to carry a specified amount of insurance under penalty of being a coinsure for the deficit, used in lieu of coinsurance in certain policies.

**Aggregate limits** – Under a liability policy, the maximum dollar amount the insurance company will pay during the policy year regardless of the number of occurrences. (See “General aggregate limit” definition.)

**All risk policy** – A policy that covers losses caused by any peril that is not excluded, as contrasted to “named peril” policies that protect only against certain perils named in the policy.

**Binder** – A legal agreement issued either by an agent or an insurance company to provide temporary insurance until a policy can be written. It designates the company in which the risk is bound as well as the amount, the perils insured against, and the type of insurance.

**Blanket insurance** – A policy that can be made to extend over more than one unit or one type of property in one location. A single contract can cover two or more types of property in one location, one type of property in two or more locations, or two or more types of property in two or more locations.

**Bodily injury and property damage combined** – Also called combined single limit (CSL). This coverage provides a single limit of liability for injury or property damages arising out of the same occurrence. For example, a policy with a combined single limit of \$500,000 could pay \$300,000 for a bodily injury claim and \$200,000 for a property damage claim, but would not pay for any combination that exceeded \$500,000.

**Boiler and machinery insurance** – Insurance against loss arising from the operations of any kind of equipment for containing pressure or generating or transmitting power. Examples include refrigeration systems, boilers, central air conditioning and heating systems, and electrical generators. Four principal coverages are provided: loss on property of the insured, expediting expenses, liability for damage to property of others, and liability for bodily injuries.

**Broad form “all States” coverage** – A form of workers’ compensation insurance that protects the employer if operations are in more than one State and employees are interchanged between States.

**Broker** – An agent for the insured and acting for the insured in arranging for and purchasing insurance contracts. The broker usually does not represent an insurance company.

**Builder’s risk form** – Indemnifies an insured for loss or damage to a building under construction. Insurance applies only during construction; a permanent policy must be written upon completion, at which time the builder’s risk policy is canceled pro rata.

**Business interruption** – A form of indirect damage coverage under property insurance policies that protects against loss of income. The loss is determined by calculating gross earnings and subtracting non-continuous expenses. Under some types of policies, such as boiler and machinery, the coverage is called “use and occupancy.” Business interruption insurance is consequential loss coverage; that is, the loss results from or is a consequence of a direct loss.

**Casualty insurance** – Insurance primarily concerned with the loss caused by injuries to people and legal liability imposed upon the insured for such injury or for damage to property of others.

**Catastrophe** – A notable disaster; a more serious calamity than might ordinarily be understood from the term “casualty.” A catastrophe is a final event, usually of calamitous or disastrous nature; a sudden calamity; a great misfortune. It is synonymous with “disaster.”

**Certificate of insurance** – A notification of coverage issued by an insurance company that lists the coverages, limits, policy numbers, and terms of the policies. It may also contain an agreement to notify the certificate holder of any changes in the policies or cancellations, usually within 30 days of the change or cancellation.

**Claims made liability policy** – Policy applies only if the claim is first made in writing against the insured during the policy period. This type of policy is currently not widely used, but may be adopted by many companies in the foreseeable future. Claims made policies are not allowed by Reclamation.

**Claims status report** – A report prepared by the insurance company showing claims filed, status of claims, and amount paid to settle claims.

**Classification** – The systematic arranging of properties, persons, or business operations into groups or categories according to certain criteria. The purpose of such classification is to create a basis for establishing statistical experience and determining rates and to avoid unfair discrimination. The essential concept is that each risk should bear its fair share of the overall cost of expenses and losses in relationship to its own relevant expenses and hazards.

**Coinsurance clause** – A requirement, in property insurance, that the insured, to be able to buy the insurance at a particular rate, agrees to carry at least a specified percentage (for example, 80 percent) of insurance to the value of the property at the time of loss. To the extent that the insured fails to carry this much insurance, he will not collect fully for partial losses. The amount of loss, which will be paid when the specified percentage is not met, will be in the same proportion as the amount of insurance bears to the amount that should have been carried. For example, assume a structure valued at \$100,000 and a coinsurance requirement of 80 percent. The insured is carrying only \$40,000 or 50 percent of the insurance required; in case of a \$10,000 loss, he would collect only 50 percent of the total loss—\$5,000. Because Reclamation should require full replacement coverage, or the equivalent of 100 percent coinsurance, the coinsurance clause should rarely be a concern.

**Combined single limit** – See bodily injury and property damage combined.

**Comprehensive general liability policy** – A policy providing broad coverage for claims made against the insured for bodily injury or property damage for which the insured may become liable and which arise out of the insured's entire business operations. The policy covers all operations known or expected at policy inception and new operations occurring during the policy term. The protection of the policy automatically tracks (1) new or changed business operations, (2) additional locations, (3) expansion of an enterprise into additional States, (4) development of new products, (5) alteration of premises, and (6) acquisition of other businesses. In short, the policy is a blanket commitment to assume, under a single policy, all responsibility of a named insured for bodily injury or property damage caused by an occurrence and is limited only by policy conditions and exclusions.

**Contractual liability** – Liability established by agreements between people as distinguished from liability imposed by law. The agreements may be oral or written. Contractual liability is best described as an agreement under which one of the parties agrees to assume the liability of another under stipulated conditions. Easement agreements (except railroad sidetrack agreements), municipal law requirements, and warranties made regarding the condition or performance of products are examples of contractual agreements covered by the policy. Other specified contractual agreements may be covered by describing them and paying a premium.

**Deductible** – Designed to have the policyholder participate in the loss, the insurance company usually pays the entire claim and presents a bill to the insured for the deductible amount. The amount that the insured must pay is indicated in the policy.

**Difference in conditions insurance** – A policy insuring against losses not usually covered by fire and extended coverage policies (e.g., flood, earthquake, and landslide). These policies are usually written for large commercial and industrial organizations.

**Direct damage** – The actual physical damage to or destruction of the covered property from fire or other insured peril. Direct damage extends to include damage when the insured peril is the proximate cause of the loss. For the proximate cause rule to apply, there must be no intervening new and independent cause of damage between the fire and the loss. Direct damage is opposed to consequential loss, which stems only indirectly from the fire or other disaster.

**Employer's liability** – Coverage against the common law liability of an employer for injuries sustained by his employees, as distinguished from liability imposed by a workers' compensation law.

**Endorsement** – A rider attached to and becoming part of a policy for the purpose of amplifying or modifying it. Any such modification can become effective only with the agreement of the insured unless clearly made solely for the benefit of the insured.

**Excess liability policy** – Provides coverage in an amount above a specific primary liability insurance policy. It follows the identical form of the basic policy, including all exclusions.

**Extended coverage insurance** – The endorsement extends coverage beyond that of fire, lightning, and removal to add the perils of windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke. The policy does not include damage from frost, ice, snow, or sleet. It also excludes interior damage (unless wind or hail opens the structure itself) from sonic boom, electrical arcing, water hammer, and rupture of water pipes.

**Fire** – The word “fire” is not defined in the standard fire policy, but its meaning has long been established by court decisions and insurance practices to be accidental and hostile or unfriendly. Hostile or unfriendly fire is one that is in a place where the insured did not intend it to be. For insurance purposes, there must be an accompanying flame to make it so qualify. A fire policy is not liable for losses caused by scorches by cigarettes, unless a flame is actually produced at the same time.

**Fire damage legal liability** – Extends the property damage liability coverage of the general liability policy to apply to damage to scheduled structures, or portions of structures, rented or occupied by the insured, if the property is damaged by fire. Coverage extends to fixtures of the scheduled property but not to the contents. Coverage can be extended to damages by allied perils (explosion, soot, and smoke) if desired. This coverage modifies the care, custody, and control exclusion of the policy.

**Fire insurance** – Covers direct damage from loss by fire and lightning and covers the removal from the premises of damaged property, except as provided by the policy.

**Flood insurance** – Insurance against damage done by rising or overflowing bodies of water.

**Garage liability insurance** – Is essentially for automobile service stations, dealers, and repair shops and is a combination of public liability and automobile liability insurance. The policy includes premises-operations and products and completed operations hazards. The policy covers the ownership, maintenance, and use of the premises and all operations necessary or incidental to such operations.

**General aggregate limit** – The maximum amount the policy will pay for the sum of damages for medical expenses, bodily injury, and property damage arising out of all claims other than product/completed operations. The term is applicable to the new occurrence and claims made liability policies.

**Hotel safe deposit liability** – The insurance company agrees to pay sums that the insured becomes legally obligated to pay by reason of liability for loss from safe deposit boxes of property deposited by guests.

**Hull insurance** – A policy that covers a boat and legal liability of the owner to others arising from collision of his vessel with another.

**Innkeeper's legal liability** – Hotel and motel operators are legally liable for the safekeeping of guest's property. Various State laws establish the extent of the liability. Policy insures against this liability, usually with a limit of \$1,000 for any one guest and with an appropriate aggregate limit.

**Insurance company** – A corporation chartered by State laws to operate as an insurer. These insurers may be divided into six classes: stock, mutual, insurance exchanges, Lloyd's Associations, Government insurers, and "self-insurers." Also, an insurer may specialize in life, fire, marine casualty, property, or surety.

**Insurance company inspections** – In most cases, insurance companies require on-site inspections for fire and safety for structures and operations that are insured. The company issues a report specifying deficiencies and recommendations for improvements. When complied with, these could result in a lower premium. A satisfactory inspection and compliance with all recommendations is usually a prerequisite for insurance coverage.

**Insurable interest** – The insured must have some pecuniary relationship to the property and must be in a position to suffer monetary loss if the property is damaged or destroyed.

**Insured** – The person protected by a policy of insurance and entitled to recover under its terms.

**Insurer** – The insurance company or other organization such as syndicates, pools, or associations providing insurance coverage services.

**Liability insurance** – Insurance that agrees to pay on behalf of the insured for sums the insured may be legally required to pay as damages. The damage may be bodily injury or property damage or both.



**Liquor legal liability** – This is intended to provide coverage for those who sell, distribute, or provide alcoholic beverages to the public. Coverage is excluded from the general liability policies, but may be added by endorsement and payment of the premium. Liability imposed by various States may range from severe liability to almost no liability.

**Loss payable clause** – A condition of the policy whereby the company is directed by the insured to pay to some other person designated in the policy any loss that may be due (usually a mortgagee).

**Loss prevention program** – A form of safety program for the insured. Risks can be minimized through the use of a written, formalized safety program. For some risks, an established program must be in place before the insurance company will provide a policy.

**Machinery breakdown insurance** – Insurance against loss caused by the failure of machinery. This is a specialized coverage.

**Monopolistic State fund** – A State-controlled and State-administered workers' compensation program. Employers in the State are required to maintain their workers' compensation coverage with the State.

**Occurrence liability policy** – Policy applies to injuries sustained during the policy period even if a claim is filed after the policy period.

**Owners and contractors protective liability** – This policy provides coverage against contingent liability for activities of independent contractors.

**Owners, landlords, and tenants insurance** – This is a limited liability policy covering the ownership, maintenance, or use of the premises. The policy covers all operations that are necessary or incidental to the insured's operations. Coverage does not include products.

**Pecuniary** – Consisting of or relating to money.

**Personal injury liability** – An additional coverage in a liability policy extending such policy to cover injury other than bodily injury. This would include such areas as false arrest, libel, slander, wrongful entry or eviction, or the invasion of the right of private occupancy.

**Product liability** – The liability a merchant or manufacturer or other insured may incur as the result of a defect in the product he or she has sold or manufactured.

**Property damage** – Physical damage to tangible property of others, including the loss of use.

**Property insurance** – Insurance against physical loss or damage to real and personal property. This insurance is first party insurance.

**Pro rata** – In proportion according to a precisely determined element, as share or liability.

**Protection and indemnity insurance** – Insurance that provides protection against practically all vessel maritime liability (other than that covered under the collision clause in the hull policy that is incidental to the operation of a vessel). Liability with respect to persons, cargo, other property, and expenses incurred to comply with Government relations, including fines and penalties incurred as a result of violation of law are specifically covered. It is customary practice to write the protection and indemnity policy in the same amount insured under the companion hull policy.

**Replacement cost insurance** – Insurance that pays the cost to restore or replace the damaged or destroyed property without deduction for depreciation. However, for the insured to collect on this basis, the insured is usually required to actually repair or replace the damaged or destroyed structure.

**Risk** – This word is often used to refer to the object of insurance. However, there are several definitions, all of which are valid. Some of these definitions are: (1) chance of loss, (2) chance of gain or loss, and (3) uncertainty of loss. The common denominator for all of the definitions is that risk is the reason for purchasing insurance.

**Self insurance or self assumption** – For this program, the term is applicable to property insurance only and means the concessionaire may, if approved, assume the risk of damage by having a definite funding plan for meeting losses.

**Statement of values** – The total value of several locations that are insured under a blanket rate. The insured is required to list the values at each location and make certain that he has insurance at an adequate level.

**Subrogation** – The right of recovery against any party for loss to the extent that payment is made by the insurance company. For example, the insured property is damaged by fire caused by a negligent act of a third party. The insurance company, after paying the loss, may require the insured to assign his right to proceed against the party responsible for the loss. This prevents the insured from collecting from the insurance company and recovering also from the person liable for the damage. The Bureau of Reclamation requires a subrogation clause, unless the Government is named as an additional insured, in liability policies so that the insurance company cannot make claim against the Government as a responsible third party.

**Substandard and high risk** – Risks that have a greater potential for loss than the average risk. Some insurance companies consider high-risk activities to include whitewater rafting and mountaineering. A further definition of a substandard risk is one that does not meet all underwriting requirements. (Note: Not all high risks are substandard.)

**Surplus line** – Commonly used to describe any risk or part thereof for which there was no market available to the original broker or agent. Surplus line companies, sometimes called nonadmitted companies, will, however, be regulated to some degree by the laws of the particular State. Often, their policies are not supported by the State guarantee fund available to “admitted” companies.

**Tail endorsement** – Extends the tail period or period for filing claims without time limit under a claims made liability policy.

**Triple net lease** – A real estate term meaning that the lessee saves and holds harmless the lessor of any liability and agrees to pay all repair and maintenance costs to the building, insurance premiums, and real estate taxes. In insurance terminology, this is known as a reverse hold harmless agreement and is usually excluded from the insurance contract.

**Umbrella liability insurance** – A form of liability insurance protecting policyholders from claims in excess of the limits of their primary automobile, general liability, and employer's liability policies and from many claims not covered by the primary policies. This is catastrophic insurance and requires a complete program of underlying insurance since the umbrella is not designed to act as first dollar defense.

**Underwriter** – One who accepts or rejects risks for an insurance company. The underwriter is an insurance company employee.

**Unoccupancy** – The absence of people from a building.

**Vacancy** – The absence of both people and furnishings or contents of a building.

**Workers' compensation** insurance – All States have laws that require an employer to maintain insurance to provide benefits to the employee who is injured while on the job. The benefits are paid to the employee without regard to fault, and these benefits are set by the various States.

# INSURANCE PROGRAM

## A. LAW

None

## B. REGULATION

None

## C. GUIDANCE

### 1. Management Policies

The Bureau of Reclamation (Reclamation) should establish certain minimum types and amounts of insurance coverages required of concessionaires to (1) provide reasonable insurance that concessionaires have the ability to cover bona fide claims for bodily injury, death, or property damage arising from an action or omission of the concessionaire; (2) protect the Government against potential liability for claims based on the negligence of its concessionaires; and (3) enable rapid repair or replacement of essential visitor facilities that are damaged or destroyed by fire or other hazard. Concessionaires will not be permitted to conduct operations without liability insurance.

### 2. Introduction

The insurance policies, limits of coverage, and procedures that follow are those required to meet the needs of the Government and the visitor and, therefore, represent minimums to be included in the concession contract. Reclamation will not be responsible for any omission of coverage or any other inadequacies, including inadequate property damage coverage, that may develop as a result of activities authorized under the contract.

The need for concessionaires to consult with their insurance agents cannot be over-emphasized. In this regard, the concessionaire is to be provided a copy of this chapter and is encouraged to provide his or her insurance agent with it as well as a copy of the insurance section of his or her concession authorization.

- a. **Terms.**—Many of the terms used in this chapter are specific to the insurance field. Refer to the “Glossary” for definitions.

b. **Development and monitoring of the insurance program.**—

- (1) The area office or regional office staff establish minimum insurance requirements for a particular concession. Requirements are stated in terms of coverages (which properties and which activities are to be insured) and limits (what is the dollar amount the policy must provide for each coverage). Guidelines for establishing these and coverage limit requirements are included in this section.
- (2) The minimum insurance requirements are inserted in the statement of requirements and subsequently in the contract or permit. Thereafter, the contract or permit is the governing document for insurance requirements.
- (3) Each year, 90 days before the start of the season, or by February 1 for year-round operations, the area staff initiates a statement of concessionaire insurance, summarizing the insurance requirements from the concession authorization. The concessionaire's insurance agent(s) for corporate insurance department responds, through the concessionaire, to the questions in the statement.
- (4) If answers to all the questions in the statement of concessionaire insurance are "yes," and recreation area staff is satisfied with the concessionaire's supporting documentation, the concessionaire is in compliance with the Reclamation Insurance Program.

c. **Insurance company standards.**—These are financial standards applicable to insurance companies, as stated in the concession contract.

### 3. **Property Insurance**

- a. **Objective.**—The objective is to provide a means for concessionaires to fulfill their contractual obligation to repair or replace structures within the recreation area that are required to serve visitors.
- b. **Insurable interest.**—The concessionaire's contractual obligations establish an insurable interest that is required for an insurance company to be willing to issue a policy insuring such property of the concessionaire. This insurable interest on the part of the concessionaire is further emphasized in the following insurance authority's analyses:

Generally speaking, a person has an insurable interest in property whenever that person would profit or gain some advantage by its continued existence or suffer some loss or disadvantage by its destruction.

c. **Required coverages.**—The concession contract requires that:

The concessionaire will, in the event of damage or destruction, repair or replace those buildings, structures, equipment, furnishings, betterments and improvements and merchandise determined by Reclamation to be necessary to satisfactorily discharge the concessionaire’s obligations under this contract. For this purpose, the concessionaire shall provide fire and extended insurance coverage on both concessionaire improvements and assigned Reclamation improvements in such minimum amounts as Reclamation may require.

To satisfy this contractual requirement, the concessionaire will normally need to purchase one or more of the insurance coverages stated below. In some situations, however, the coverages listed may not be appropriate or economically feasible. Exceptions to the required coverages are discussed below in subparagraph d., Exceptions, and subparagraph e., Less than full coverage.

- (1) Full replacement value.—Such coverage pays the cost to restore or replace the damaged or destroyed property without deduction for actual physical depreciation. This coverage, or the equivalent in another form, is the desired level of protection. The concessionaire should also secure an “Ordinance and Law” endorsement where possible. This will pay for most if not all code improvements required during reconstruction of a building damaged by an insured peril.
- (2) Blanket coverage.—This is a form of coverage in which a single limit of insurance covers more than one item, meaning it may cover several buildings, structures, and contents in addition to buildings or combinations of these. To determine premium costs, a statement of value of each building or structure is required. The usual coinsurance clause is 90 percent.

Following are examples for applying blanket coverage:

Example 1	
Buildings	Replacement Costs
#1	\$1,000,000
#2	600,000
#3	300,000
#4	100,000
Total Value	\$2,000,000
90% Insurance	\$1,800,000

In the above example, a limit of \$1,800,000 is applicable. This would be more than sufficient to cover a loss at any one location.

If building #1 were to be totally destroyed, and if it had been insured under a normal specific, not blanket, 90 percent coinsurance basis, \$900,000 would be the maximum collectible; under a blanket policy, up to \$1,000,000 could be recovered.

#### Example 2

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Blanket coverage can also be written for an amount that is less than the total property value but at least equal to the highest probable single incident loss. In the foregoing example, \$1,000,000 of insurance would be acceptable coverage.

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Caution should be exercised when this method is used at locations where buildings are clustered and it is reasonable that more than one building could be damaged or destroyed in a single incident.

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- (3) Other property coverages.—In addition to fire and extended insurance coverage, other coverages may be applicable. These may include boiler and machinery, sprinkler leakage, builder's risk, flood, earthquake, business personal property away from the insured premises, or other special purpose insurance. Insurance limits for these special coverages are normally the same as for the basic property policy. However, where a special coverage is applicable to only one building, the amount of coverage needs to equal only the replacement cost of that building. For example, if there are five buildings and one has a boiler, only the building with the boiler would need to be covered by a boiler and machinery policy in the amount of the replacement cost of the building.

Only those other property coverages that are necessary under the criteria set forth below should be specified in the contract or permit. If not necessary, they should be deleted from the terms and conditions of the standard contract language.

- (a) Boiler and machinery.—Boiler and machinery insurance, including direct damage, is required when boilers or other machinery is used. Direct damage provides coverage on the building when damage was the direct result of a boiler accident.
- (b) Sprinkler leakage.—Sprinkler leakage insurance is required for buildings equipped with an automatic fire protection system.

- (c) **Builder's risk.**—Builder's risk insurance is required when a concessionaire is to undertake a building improvement program. For insurance purposes, building improvement means the construction of a building or structure or a significant addition or alteration to an existing building or structure. The builder's risk policy becomes effective when construction commences. Upon completion of construction, the concessionaire must adjust the basic fire and extended insurance policy so as to add the value of the new construction.
  - (d) **Flood.**—Required when buildings and structures are located in an area declared eligible for such coverage by the Federal flood insurance administrator. Federally subsidized coverage is available from local insurance agents for areas participating in the flood insurance program that is administered by the Federal Emergency Management Agency. For areas not eligible for federally subsidized coverage, flood insurance is available from private sources. Before requiring such coverage, careful consideration is to be given to the cost and likelihood of a flood.
  - (e) **Earthquake.**—Required when buildings are located in an area where there is a known risk of earthquakes.
  - (f) **Hull.**—Required for watercraft essential for transporting passengers between locations accessible only by water (e.g., hulls of tour boats transporting passengers from mainland to an island).
  - (g) **Extension-of-coverage endorsement.**—Required for buildings unoccupied for more than 60 consecutive days. Because concessionaires use various methods for providing maintenance or otherwise caring for their property during the off season, the extended insurance coverage should be discussed jointly by the area manager, concessionaire, and the concessionaire's insurance agent before requiring the additional coverage.
- d. **Exceptions.**—In the situations enumerated below, it may not be appropriate to require a concessionaire to purchase full replacement insurance coverage.
- (1) **Historic structures.**—Structures used by concessionaires may be not only historic, but also highly complex buildings that would be prohibitive in cost to reproduce should they be destroyed. If obtainable at all, insurance premiums would be well beyond any



amount that could be reasonably expected of the concessionaire. If the existing building is located within a historic district, the design of the replacement will be subject to Department of the Interior standards and guidelines for a structure architecturally compatible with the district.

- (2) Joint use buildings.—If the concessionaire occupies only a portion of a building, the remainder of which is occupied and controlled by Reclamation, the normal rule will be that the concessionaire is not obliged to obtain property insurance. It would not be fair to require the concessionaire to insure the entire structure. However, the regional director, or delegate, is authorized to require the concessionaire to provide fire damage legal liability insurance in an amount the regional director deems appropriate. This is usually in proportion to the amount of space used by the concessionaire or the amount of additional risk the concessionaire adds to a building.
- (3) Replacement not required.—If, through the planning process, it is determined that a building will be eliminated in the future, or if a building is so minor as not to be needed in the concession operation, insurance will not be required. The regional director is the approving authority. The file is to be fully documented, citing proposed or approved planning documents or equivalent justification. Buildings that will not be replaced will be included in the building replacement cost exhibit to the contract. “Not to be replaced” will be entered in lieu of an insurance replacement value. A decision that replacement is not required is not the same as a decision that “no insurance” is required.

e. **Less than full coverage.**—

Alternative plans.—In some cases, full replacement coverage is not available from regular insurance companies or is prohibitive in cost. In such cases, certain alternative arrangements may be approved.

- (1) Surplus line.—Because of the obsolescence of structures, the high risk of various activities, or other circumstances, concessionaires may not be able to obtain insurance from regular insurance underwriters. The concessionaire may insure with specialty insurance companies, normally referred to as excess and surplus line companies that provide substandard (high-risk) lines of insurance. Generally, State insurance regulations permit the agent or broker to contract for the assigned risk plan only after being denied coverage by a specified number (usually three) of regular insurance underwriters.
- (2) Deductible plans.—This plan is used to reduce insurance premiums and, in some instances, is the only method of securing

insurance. Insurance companies use deductibles for the purpose of limiting the frequency of claims and to minimize their exposure to losses resulting from such situations as limited fire suppression capabilities or the construction or deterioration of structures.

When using a deductible, a concessionaire assumes part of the risk. For example, a building may be insured at a full replacement value of \$100,000 with a 10 percent, or \$10,000, deductible. The concessionaire would absorb the first \$10,000 in the event of damage or total loss. The amount of deductible acceptable to Reclamation is limited to 10 percent of the full replacement value of all buildings unless a higher percentage is approved as explained in subparagraph (c), below.

- (3) Self assumption.—If a concessionaire has major and costly facilities and a number of lesser-valued structures, the concessionaire may self-assume the risk of damage to the lesser-valued structures without using insurance. Self-assumption is a stronger form of protection than no insurance and is preferable to no insurance because the concessionaire has a definite funding plan for meeting losses if they occur. Because the net effect is much like a deductible, Reclamation rules similar to deductible rules apply. The amount of self-assumption allowed is to be expressed as a percentage of the total value of all structures and facilities and is subject to the same limits as the deductible (10 percent unless otherwise approved).

Approval of a deductible or self-assumption will require a demonstration from current financial statements that the working capital of the firm is sufficient to cover the self-assumed risk without obtaining a loan. The concessionaire should be able to provide an appropriate bond covering the self-assumed risk.

- (4) Actual cash value.—This is a less desirable insurance coverage. The amount of coverage is based on replacement costs at the time of loss, less an amount equal to its actual physical deterioration. The concessionaire may request approval of actual cash value insurance by submitting a letter describing the actions he or she has taken to obtain the preferred coverages. The letter should contain the names of national insurance brokers who specialize in underwriting these types of risks and confirm that replacement cost coverage is not available. If financial infeasibility is claimed, the letter should include supporting financial information.
- (5) No insurance.—If analysis of the foregoing alternatives indicates no insurance is economically feasible, approval may be given to waive the property insurance requirement. However, before any waiver, the concessionaire is to provide premium quotations from

at least three insurance companies and an analysis of the impact of these costs on its economic viability. When property insurance is waived, Reclamation will not be obligated to repair or replace a structure. It must also be realized that no insurance on an essential structure means the Government is assuming the risk. The ability of the Government to execute that responsibility may depend on appropriations. If a recommendation is made not to require insurance, consideration should be given to discontinuing the use of the structure and eliminating the operation or service.

f. **Determining property values.**—The establishment of accurate property values is essential for insurance purposes because this is the basis for determining proper policy limits.

- (1) Construction costs for replacement of buildings will usually be determined by Reclamation through use of a recognized insurance replacement cost valuation system. In addition to the form, the area office should provide other pertinent facts of other special area considerations necessary to establish replacement costs. A copy of any available appraisal would also be helpful. For some very complex structures, the Reclamation analysis may be supplemented by outside sources. A copy of the completed request for the insurance replacement cost estimate form and any drawings available should be provided to the concessionaire. The concessionaire can then make available to the insurance company the form and any drawings necessary for safety analysis and underwriting purposes.

Building estimate forms should be submitted to Reclamation in advance of the preparation of the feasibility study to include property replacement cost values and insurance requirements in the feasibility study.

Updates of the property replacement cost estimates, using accepted construction cost indices, will automatically be provided annually by Reclamation and will be provided at any other time upon request. Full re-evaluation will be required only after a material change in the structure.

- (2) If property replacement cost estimates prepared by Reclamation are substantially different from those prepared by the concessionaire or the concessionaire's insurance agent, the area manager should consult with Reclamation to determine the reasons for the difference. The terms and conditions of the contract language state that the final estimate will be determined by Reclamation.

- (3) The concessionaire is required to secure business personal property coverage insurance. It is usually separate from the coverage for the building. Some types of business personal property, such as machinery, may be limited or excluded. If the excluded items are necessary to the concessionaire's business, additional coverage may be required. The amount of such coverage should be determined by the concessionaire and approved by the area manager. If there are differences of opinion as to values, consultations with an outside pricing authority will be needed. Reclamation is not prepared to value personal property.
- (4) The approved value for each structure shall be stated in 2.g. of exhibit I (subchapter 2-10) of the concession contract. The exhibit is to be updated at least every 3 years or more often if there is a substantial increase in value.

g. **Required clauses.**—The concessionaire's fire and extended insurance policy must name the United States Government as an additional named insured, contain a loss payable clause, and waive the "same site property replacement" requirement, if one was included. These insurance requirements are briefly discussed below:

- (1) United States as named insured.—The policy is to name the United States Government and the concessionaire as named insured on both Reclamation- and concessionaire-owned (capital investment recovery) buildings "as their interest may appear." The "As Their Interest May Appear" clause ensures that each will be paid only for its financial interest in the structure. After a loss occurs and the concessionaire is reimbursed by the insurance company for its loss, the area manager needs to protect the interests of the United States Government by requiring that the concessionaire put the appropriate funds in some type of trust account such as escrow or "course of construction account" at a local bank. This applies only to funds the concessionaire receives for Reclamation owned or concessionaire owned buildings. This will ensure that funds received for the rebuilding of a structure owned by Reclamation or the concessionaire (capital investment recovery) will be used to do the actual rebuilding.
- (2) Loss payable clause.—Normally, insurance companies pay claims jointly to all named insured. The loss payable clause requires the insurance company to pay proceeds only to the concessionaire, not jointly to the Government and the concessionaire. The loss payable clause applies to both concessionaire-owned and Government-owned buildings. This arrangement will permit immediate expenditure of insurance funds for replacement of a damaged structure. The area manager needs to protect the interests of the United States Government by requiring the concessionaire

to put the appropriate funds in some type of trust account such as escrow or “course of construction account” at a local bank. This applies only to funds the concessionaire receives for Reclamation owned or concessionaire owned buildings. This will ensure that funds received for the rebuilding of a structure owned by Reclamation or the concessionaire (capital investment recovery) will be used to do the actual rebuilding. The concessionaires will gain no capital investment recovery value in Government structures repaired or replaced with insurance proceeds. A loss payable clause in the insurance policy similar to the following is sufficient:

In accordance with concession contract  
No. \_\_\_\_\_ dated \_\_\_\_\_,  
between the United States of America and the  
\_\_\_\_\_ (the concessionaire).  
Payment of insurance proceeds resulting from  
damage or loss of structures insured under this  
policy is to be disbursed directly to the  
concessionaire without requiring endorsement by  
the United States of America. The concessionaire  
agrees to deposit the funds in a trust account to be  
used only for the repair or replacement of the  
structures damaged from this loss.

- (3) Approval of reconstruction plans.—The plans and specifications for repair or reconstruction of a structure are subject to Reclamation approval.
- (4) Waiver of same site property replacement.—Some insurance policies may have formerly required that a structure be replaced at its original site. Most new policies should omit this clause. If such a clause is included, it must be waived because long-range Reclamation area plans could require rebuilding at a new location.

#### 4. Liability Insurance

- a. **Objective.**—A visitor using concession facilities authorized by Reclamation has the right to expect that the operator is capable of paying a bona fide claim that results from the concessionaire’s act or omission. Insurance should be sufficient in scope to cover all potential risks and in an amount that can reasonably be expected to be awarded in the event of serious injury or death.

Note: The required liability coverages set forth in this section are applicable to all commercial authorizations, including concession contracts, permits, commercial use licenses, and special use permits.

- b. **Types of coverage.**—Because all liability insurance forms are not identical and each concession operation may have special circumstances, the area manager should consult jointly with the concessionaire and the concessionaire’s insurance agent to fully discuss the operation to ensure that all known exposures are adequately insured. For example, minor services, like tube rental, may be insignificant in the overall operation, but if tubes are used for the purpose of water activities, the insurance company should be made aware of the exposure. However, if the types of insurance and the minimal limits of coverage required by Reclamation prove to be insufficient in the event of a judgment against the concessionaire, Reclamation will not be responsible for any inadequacy.

The types of coverages that need to be considered include:

- (1) **Comprehensive general liability (commercial general liability).**— This coverage is a blanket commitment to assume all responsibility of a named insured for bodily injury or property damage caused by an occurrence. It is limited only by policy conditions and exclusions. This is a special policy that covers one specific service, such as a protection and indemnity policy for a tour boat operation. Umbrella or excess policies can be used to augment the comprehensive general liability policy.
- (2) **Special policies.**—The following coverages are applicable only in certain cases. If necessary under the criteria set forth below, they should be specified in the terms and conditions of the standard contract language. These coverages are often provided as extensions to the comprehensive general liability policy. If these coverages are included, they do not need to be the subject of separate policies. The applicable boxes on the statement of concessionaire insurance should, however, be checked.
  - (a) **Products/completed operations.**—This coverage is required if the concessionaire sells, handles, distributes, or disposes of any goods or products. A retailer can be found liable for defective merchandise, such as tainted canned goods, even though they were manufactured by someone else. The coverage is not applicable to rental equipment, which is insured under the comprehensive general liability policy.
  - (b) **Liquor legal liability coverage.**—Required whenever alcoholic beverages are sold or served because the concessionaire may become liable for injury or damage caused by an intoxicated person if it can be established that the alcoholic beverage sold or served by the concessionaire caused or contributed to an accident. The coverage is required whether the concessionaire operates a full-fledged

cocktail lounge or simply sells packaged beer in a grocery store. The premiums, however, will be different in each case.

- (c) Protection and indemnity.—Watercraft are insured under either a protection and indemnity liability policy or a comprehensive general liability policy. The determination of which policy is applicable depends on the size, ownership, and use of the watercraft.

If the operation includes only boat transportation and there are no activities conducted on Reclamation property, including ticket sales, the concessionaire is likely not to have any liability exposure except that associated with the boat. In such instances, only a protection and indemnity policy may be needed.

- (d) Automobile liability.—Coverage shall include an automobile liability policy insuring all owned, nonowned, and hired vehicles. Coverage is required if vehicles are used in the operation. The need for specific policy forms will depend on the ownership of the vehicle. Concessionaires should discuss this coverage with their insurance agent.

- (e) Garage liability.—Garage liability coverage is required for automobile service stations and repair shops. Coverage may be either a separate policy or included in the comprehensive general liability policy. A broad form property damage endorsement is preferred because it is a broader coverage.

- (f) Workers' compensation.—Required of all concessionaires if they have any hired employees. Worker's compensation is always a separate policy. This is the only protection afforded employees. They are not covered under comprehensive general liability insurance.

- (g) Aircraft coverage.—Aircraft coverage is required if aircraft are used in the concession operation. Minimum coverage must conform with Federal Aviation Administration requirements.

- (h) Fire damage legal liability.—Fire damage legal liability coverage is optional at the discretion of the regional director. Insurance covers the area occupied by the concessionaire in joint use buildings.

(3) Umbrella and excess liability.—

- (a) Umbrella liability insurance.—An umbrella policy comes into play when the limits of the underlying (primary) coverage has been exceeded. It provides protection against catastrophic loss. It is not intended to perform as first dollar defense. The umbrella must be supported by a sound and complete program of underlying coverage such as comprehensive general liability, comprehensive automobile liability, and employer's liability, plus required special coverages. Umbrella insurance is broader in scope than underlying coverages because it covers all hazards included in the underlying insurance plus uninsured hazards (subject to a self-insured retention of generally \$10,000).

Umbrella coverage often provides an economical way for a concessionaire to obtain the required liability limits. From the standpoint of evaluating concessionaire compliance with the program, any combination of primary and umbrella coverage is acceptable, so long as it meets the required limits.

- (b) Excess liability insurance.—This insurance is similar to an umbrella policy in that it provides coverage in an amount above a primary liability insurance policy. It differs from an umbrella policy in that it covers only one particular activity or extends only one basic policy. It may be useful when only one segment of a concessionaire's operation requires high dollar limits or when the concessionaire's entire operation consists of one particular high-risk activity. In these cases, an excess policy may be less costly than an umbrella policy. As in the case with umbrella coverage, any combination of basic and excess coverage that meets the required minimum is acceptable.

(4) Terms.—To understand liability insurance, you must understand the following terms:

- (a) Per person.—The maximum dollar amount the insurance company will pay to one injured person. This concept is generally not being used in new policies and, therefore, is not included in the standard contract language.
- (b) Per occurrence.—The maximum dollar amount the insurance company will pay for claims resulting from one accident or occurrence regardless of the number of people injured.



- (c) Combined single limit.—The maximum dollar amount the insurance company will pay for combined bodily injury and property damage resulting from the same accident or occurrence. A separate amount for each is not stated.
  - (e) Aggregate.—The maximum dollar amount the insurance company will pay during the policy period regardless of the number of occurrences. Under the current occurrence policy, the aggregate limit applies only to claims under the products/completed operations section of the policy. The new “occurrence” policies contain a general and a products/completed operations aggregate. The products/completed operations aggregate is the same as the current occurrence policy.
- (5) Bodily injury.—The insurance industry has no set formula for establishing the proper amount of liability coverage for a specific business. The uncertainty of the amount of an award to a claimant prevents precise estimates of reasonable limits. The Reclamation minimum liability limits shall be established as follows:
- (a) Basic.—The minimum liability limit is \$300,000 per occurrence. Lower limits are not acceptable. These limits apply when the concessionaire’s exposure is such that not more than one person can reasonably be expected to be injured in any one occurrence (e.g., bicycle rental and horseback riding).
  - (b) Minimum limits for specific activities.—The Reclamation requirement is that there be enough insurance per occurrence to cover the number of people who might reasonable be at risk in a single incident. Although there is a difference in hazard between horseback riding and bicycle riding, they share the common characteristic that only one person is likely to be hurt in a single incident. The difference in hazard between the two activities is of importance to the insurance company and will affect not only the cost of insurance but also may affect the maximum per occurrence limits the company is willing to write. When the activity or facility has a multiple participant capacity, the amount of insurance required is increased to cover the additional exposure. Determination of the number of people at risk is a combined function of capacity and likely means of escape or avoidance of the cause of the accident. It is unlikely that a fire would trap all the guests in a one-floor motel, even in the same wing. It is reasonable that a higher proportion of guests in a four-floor

hotel would be affected by an accident, and it is also reasonable that an even higher portion of rafting participants would be affected.

Using this approach, Reclamation has developed a table of minimum per occurrence liability limits that will provide some degree of protection against claims resulting from major accidents and that will provide better Reclamation-wide uniformity than Reclamation has had in the past. Below are listed the minimum liability limits for various activities and capacities.

The concessionaire should understand that it is not certain that meeting the above minimum limits of insurance will be sufficient protection to cover claims that could arise from a single serious accident. Concessionaires should consult with their insurance advisors for further information on adequacy of limits.

- (c) Establishing liability limits.—Example: Liability requirements are based on the single structure or vehicle that requires the largest limits. For example, if the concessionaire’s hotel consists of several buildings, the capacity of the largest building determines the required limits. For a multi-service concessionaire, it may be necessary to figure the limits for each service separately to determine which is the largest. The following example will clarify the procedure:

	<b>Service</b>
Saddle Horse	\$ 300,000
Store - 15,000 square feet	500,000
Restaurant - 7 seats	1,000,000
Motel:	\$1,500,000
Unit A – 3 floors, 25 rooms	500,000
Unit B – 1 floor, 20 rooms	1,000,000
Unit C – 2 floors, 30 rooms	
River Running (10 passenger maximum capacity)	500,000

Because motel unit A requires the highest limits of insurance, the concessionaire would be required to carry liability limits in the amount of \$1,500,000, which covers all listed services. In some instances, the concessionaire may find it more economical to purchase specialized insurance separately. For example, a policy could be purchased to cover all activities except river running. That activity could be under a separate policy with limits of \$500,000.

**Minimum Per Occurrence Liability Limits**

Service/Facility/Activity	Per Occurrence Minimum Limits
<b>Single Person Activities</b>	<b>\$ 300,000</b>
Golfing	Horse Riding
Tennis	Guided Hikes and Hunting
Swimming	Skiing
Scuba Diving	Cross-Country Skiing
Bicycling	Ice and Roller Skating
<b>Merchandise Store</b>	
Up to 1,000 square feet	\$ 300,000
1,001 to 5,000 square feet	500,000
5,001 to 10,000 square feet	1,000,000
Over 10,000 square feet	1,500,000
<b>Food Service/Cocktail Lounge</b>	
Up to 40 seats	\$ 300,000
41 to 50 seats	500,000
51 to 120 seats	1,000,000
121 to 220 seats	1,500,000
221 to 400 seats	2,000,000
Over 400 seats	2,500,000
<b>Lodging and Bathhouse (2 per room)</b>	
1 or 2 floors	
Up to 20 rooms	\$ 500,000
21 to 30 rooms	1,000,000
31 to 60 rooms	1,500,000
61 to 110 rooms	2,000,000
111 to 200 rooms	2,500,000
Over 200 rooms	3,000,000
3 or more floors	
Up to 20 rooms	\$1,000,000
21 to 30 rooms	1,500,000
31 to 60 rooms	2,000,000
61 to 110 rooms	2,500,000
111 to 200 rooms	3,000,000
Over 200 rooms	3,500,000

**Minimum Per Occurrence Liability Limits—continued**

Service/Facility/Activity	Per Occurrence Minimum Limits	
<b>Land and Water Transportation</b>		
Car	Tram	Tour Boat
Van	Horsewagon	Boat Rental
Bus	River Runners	Fishing Guide
Jeep	Houseboat	Canoe
Up to 5 passengers		\$ 300,000
6 to 12 passengers		500,000
13 to 20 passengers (motor vehicles only)		750,000
13 to 20 passengers (other transportation)		1,000,000
21 to 50 passengers		1,500,000
51 to 120 passengers		2,000,000
121 to 220 passengers		2,500,000
221 to 300 passengers		3,000,000
Over 300 passengers		3,500,000
<b>Mountain Climbing</b>		
Up to a party of 5		\$ 300,000
Party of 6 to 12		500,000
Party of 13 or more		1,000,000
<b>Ski Lifts and Tows</b>		\$ 300,000
<b>Chair Lifts (Capacity at one time)</b>		
Up to 20 passengers		\$1,000,000
21 to 50 passengers		1,500,000
51 to 120 passengers		2,000,000
Over 120 passengers		2,500,000

Water transportation that requires protection and indemnity insurance is an exception to the above procedure. Protection and indemnity is always a separate coverage, and its limits must be figured separately. Thus, if a concessionaire operated a 200-passenger tour boat and had only a ticket office on land, the concessionaire would require protection and indemnity coverage of \$2,500,000 plus commercial general liability of \$300,000 to cover the ticket office.

- (d) Special provisions for use of aggregate policies.—As discussed earlier, the new “occurrence” policies contain separate per occurrence and aggregate limits. The per occurrence limit is the most the insurance will pay for a single incident, and the aggregate limit is the most that will be paid during the policy term. When the per occurrence and aggregate limits are equal, it is probable that one accident with potential for a large claim would wipe out coverage for any subsequent occurrences. To preclude a

concessionaire from operating without coverage subsequent to a serious accident, the following rules will apply:

- (i) In the event of an accident resulting in death or serious injury in which it is reasonable to assume that the liability limits could be exhausted, the concessionaire must immediately purchase additional insurance. The affected operation will be suspended until additional coverage is obtained.
  - (ii) If any claims have been filed, the insured must obtain a claims status report from the insurance company. The concessionaire will be required to request this report periodically and to furnish a copy to the Commissioner. If at any time, the claims status report shows that the remaining aggregate is below the required per occurrence minimum, the affected operation will be suspended until additional coverage is obtained.
- (6) Property damage.—Property damage liability is included in the per occurrence limits of liability in the new “occurrence” policies and is included as a combined single limit in the current occurrence policy. It is, therefore not necessary to state property damage as a separate coverage requirement.
- (7) Adjustment of limits.—The insurance industry is in a state of flux. New policy forms and concepts are being introduced rapidly. The standard contract language gives the Secretary of the Interior (Secretary) authority to revise insurance requirements, including minimum coverages, to keep abreast of new developments without waiting for renewal or amendment of the contract. Such revisions will be made only on a Reclamation-wide basis so as to ensure equal treatment for all concessionaires affected.
- (8) Legal fees.—Some insurance companies are including in their policies a provision called “defense within limits.” It provides that all legal fees will be charged against the policy limits. In a major case, legal fees could consume nearly all the funds normally available for settlement of claims. Should a concessionaire present a policy containing the “defense within limits” provision, the following procedures are to be followed:
  - (a) The reviewing office should first check with the State insurance authority to determine if the clause is allowed in the State.

- (b) Consult with the regional office to determine the acceptability of the provision based on the general conditions of the insurance industry and whether there is a need to increase the limits of liability to offset the legal fee provision predicated on the Secretary's authority.
- (9) Accident reporting requirements.—Under current occurrence and new “occurrence” policies, a claim may be made at any time for an occurrence within the policy period. The “claims made” policy, however, generally requires a claim be made in writing to the insurance company during the policy period or within a 60-day “tail period” after the policy has expired. This reporting requirement is very restrictive, but the tail period may be extended if the policy is renewed with the same insurance company. Some insurance companies are requiring only that the accident be reported during the policy period and that a claim may be filed at a later date, generally within a specified timeframe. This is the preferred method in that it permits time for the severity of the injury to be determined subsequent to the occurrence. Because of the importance of the time factor for filing claims and for the protection of the concessionaire and visitors, concessionaires should be encouraged to immediately report to their insurance company any incident that could possibly evolve into a claim at a later date.

c. **Clauses.**—

- (1) Waiver of subrogation.—All liability policies are to specify that the insurance company shall have no right of subrogation against the United States of America. If the insurance company declines to issue the waiver, the United States Government must be named as an additional insured on the concessionaire's liability policies. As a rule, premiums are lower under the waiver approach.
- (2) Objective.—It is consistent with Reclamation policy for the concessionaire to warn visitors of the dangers inherent in high-risk activities and for visitors to assume responsibility for their own negligence. For activities that require prerequisite skills or experience, it is appropriate to require that visitors declare, in writing, that they possess those prerequisites. It is not consistent with Reclamation policy to require visitors to waive their right to hold concessionaires or the Government responsible for bona fide negligence resulting in bodily injury, death, or loss of personal property.
- (3) Implementation.—Concessionaires are not to request or require visitors to sign a liability waiver for high-risk activities. They may, however, advise visitors of the risks involved and have them

sign a visitor's acknowledgment of risk form. When used, the following procedures and limitations are to apply:

- (a) Concessionaires who want to use an acknowledgment form are to provide the Commissioner with a proposed acknowledgment form for approval.
- (b) The regional solicitor is to review the acknowledgment to ensure that the above objectives are met and that the acknowledgment is compatible with State insurance laws and regulations.

## 5. Supervision of the Program

- a. **Insurance inspections.**—When risk management (safety) inspections are conducted by or for the insurance company for the purpose of ensuring adherence to safety standards, a copy of the inspection report is to be furnished to the area manager.

When new construction is undertaken or concession facilities are being substantially renovated by the concessionaire, design drawings should be sent to the respective State fire rating bureau or other local rating bureau, as applicable, to obtain their safety and fire prevention recommendations. This recommendation is provided without cost. Subsequent to the State inspection, the concessionaire is to submit his plans along with the inspector's comments to the area manager for review.

Insurance inspections can, if recommendations are followed, provide the highest possible protection to area visitors and frequently result in lower premium costs to the concessionaire.

- b. **Updating Coverages.**—
  - (1) Property coverage.—Property values are determined at the inception of a new contract and updated annually by area office staff. B.7. of exhibit I of the concession contract, "property replacement cost for insurance purposes," will need to be revised when property values change.
  - (2) Liability coverage.—Liability coverage normally needs updating when claims have depleted the available limits below contract requirements, when there is a significant change in services provided, or when the Secretary determines that there have been significant changes in the insurance industry.

c. **Evaluation Procedure.**—

- (1) Ninety days before the start of the season, or on February 1 for year-round operations, area office staff prepares exhibit I, subchapter 2-10 of the insurance requirements and transmits the entire requirements to the concessionaire. Exhibit I is a list of insurance requirements taken directly from the contract or permit. Required coverages are identified by placing an “X” in the appropriate box and entering the coverage amounts in the space provided. The question on visitor acknowledgment of risk is answered “yes” or “no” or “not used,” as appropriate.
- (2) Concessionaires are to return the completed statement 60 days after receipt or at least 10 days before the operator’s seasonal opening. The statement must be signed by the concessionaire and the concessionaire’s insurance agent(s) or corporate insurance department and accompanied by a certificate of insurance. The certificate of insurance is proof of coverage and is issued by the insurance agent. There is, however, one exception. If workers’ compensation is obtained directly from the State fund or assigned risk plan, it will not be listed on the insured’s copy of the certificate. The concessionaire must provide a State certificate showing that workers’ compensation is provided.

Concessionaires who purchase their insurance through more than one agent or broker will have to get from each agent or broker or from the State a statement detailing the coverage that particular agency provides. The concessionaire is then responsible for preparing an overall summary form supported by necessary forms and certificates of insurance from the individual agents and the State, if appropriate.

- (3) The purpose of requiring a certificate of insurance is to obtain verification on the issuing company’s official form that the coverage claimed in the statement of insurance has been properly and officially issued. Area office staff should compare the key data between the two forms. If exclusions or special endorsements are listed, they should be explained in an accompanying letter or in the applicable part of the statement of insurance.

All insurance policies carried by the concessionaire will identify Reclamation as an “Additional Named Insured.” The insurance company will be directed to notify Reclamation when changes to the policy occur, including cancellations.

- (4) The area office is to review the completed statement(s) of insurance and certificate(s) of insurance. If all answers are



checked “yes” on the statement of insurance and supported by certificates of insurance, the concessionaire’s coverage is satisfactory.

- (5) If any questions are answered “no” or left blank, the concessionaire’s insurance coverage is not satisfactory. If the statement of insurance is not received by the prescribed date, the concessionaire is presumed not to have insurance coverage. The following actions by the area manager are required.
  - (a) Any service that is not covered by insurance in the amount required by the contract or permit will be suspended. If the coverage shortfall affects only a portion of the concessionaire’s operation, only the affected portion must be suspended.
  - (b) A suspended operation will be evaluated according to the contract compliance criteria, and a rating will be assigned accordingly.
  - (c) Instances of late reporting or late opening due to delayed receipt of insurance coverage will be evaluated individually, depending on the area manager’s judgment of the impact on the Reclamation area and the visitors and on any mitigating circumstances.
- (6) From time to time during periods of nationwide insurance industry problems, regional offices may issue additional guidance that will temporarily suspend the foregoing instructions.

d. **Subsequent change in coverage.**—If, after the statement is completed, the concessionaire’s policy is renewed or replaced, resulting in a material change in coverage, the concessionaire must notify the area manager, who may require a new statement.

e. **For renewal or new authorizations.**—

- (1) **Property insurance.**—Building replacement costs should be determined by use of the request for insurance replacement cost estimate form while the fact sheet is in preparation. The values should then be included in an exhibit to the contract or permit. Decisions on other types of coverage should also be made at this time. When new construction is contemplated, replacement values need not be set until construction is complete.
- (2) **Liability insurance.**—Determine the coverages required and minimal limits of coverage.

f. **Existing contracts and permits (no amendment pending).—**

(1) Property insurance.—

- (a) If the existing contract or permit requires the concessionaire to provide property insurance at full replacement value, the property insurance provisions contained herein are applicable and should be followed.
- (b) If the existing contract or permit contains the “prudent operator” clause, there is no uniform set of private industry practices that offer guidance. A private businessman who owns his facilities outright sometimes carries actual cash value coverage, although full replacement value is more common and may be required by the financing institution if there is indebtedness. A businessman who leases facilities (the situation most nearly comparable to the Government ownership) sometimes pays for insurance himself, and sometimes the property owner assumes responsibility.

The foregoing observations establish a supportable argument that the “prudent operator” clause means a concessionaire increases property insurance coverage voluntarily and not as a matter of contract compliance. The director of operations, W-6000, may approve any of the alternative coverages. Such approval will be valid until the contract or permit next comes due for amendment or renewal.

- (2) Liability insurance.—If present general liability limits are below the absolute minimum (\$300,000 per occurrence), the problem should be thoroughly explored with the concessionaire and the insurance agent. If the concessionaire does not agree to raise liability limits, it is appropriate to seek advice and assistance. A similar approach should be taken if limits are at or above minimum but appear inadequate in view of the size of the concession or risk involved.

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# CHAPTER 15 – CULTURAL RESOURCE MANAGEMENT

## A. INTRODUCTION

A cultural resource is an aspect of a cultural system that is valued by or significantly representative of a culture or that contains significant information about a culture. A cultural resource may be a tangible entity or a cultural practice. Tangible cultural resources are any district, site, building, structure, or object, including prehistoric, historic, architectural, or traditional cultural properties that are significant in American history (local, regional, or national).

Cultural resource management is the broad range of activities aimed at documenting, understanding, preserving, protecting, and providing to the public the use and enjoyment of cultural resources. It includes research related to cultural resources, planning for actions affecting them, public education, and stewardship in the context of overall area operations. It also includes support for the appreciation and perpetuation of related cultural practices.

Compliance with cultural resource laws is not only a requirement—it makes good sense. Compliance also helps the Bureau of Reclamation (Reclamation) make better decisions.

Concessionaire properties and activities in Reclamation areas are contracted by and under the jurisdiction or control of Reclamation. Therefore, concessionaire properties and activities are subject to the same laws, regulations, and policies under which Reclamation protects and manages cultural resources.

This chapter is designed to provide information and guidance for the concessions management program to complete its responsibilities of resource protection and meet obligations required by the National Historic Preservation Act (NHPA), the Archaeological Resources Protection Act (ARPA), EO13007 Indian Sacred Sites, and the Native American Graves Protection and Repatriation Act (NAGPRA).

Reclamation integrates the compliance process required by section 106 of NHPA into project planning, design development, and decisionmaking because it ensures early and systematic consideration of cultural resource preservation issues. Interdisciplinary involvement and consideration, from the earliest stages of project conception and development, provides decisionmakers with a broad range of perspectives and alternatives for resource use. This interdisciplinary involvement also includes concessionaires and non-Reclamation partners. These partners have valuable information, resources, and expertise that can help to make good resource based decisions.

## B. CULTURAL RESOURCE LAWS AND REGULATIONS

See Appendix A, Cultural Resource Legislation and Regulations, for additional information.

### 1. National Historic Preservation Act

There are many laws that provide guidance for cultural resource management. The primary law is NHPA of 1966, as amended (16 U.S.C. 470 et seq., 80 Stat. 915, Public Law 89-665). NHPA established the *National Register of Historic Places (National Register)*, the Advisory Council on Historic Preservation (ACHP), the State Historic Preservation Officer (SHPO) Program, and the Tribal Historic Preservation Officer (THPO) Program.

#### a. Section 106.

NHPA requires Reclamation to consider what effects any “Undertakings” may have on cultural resources eligible for or listed in the *National Register*. Essentially, all actions taken in Reclamation areas are Undertakings.

An Undertaking is defined as a project, activity, or program funded in whole or in part by the direct or indirect jurisdiction of a Federal agency, including those carried out by or on behalf of a Federal agency; those carried out with Federal financial assistance; those requiring a Federal permit, license, or approval; and those subject to State or local regulation administered pursuant to a delegation or approval by a Federal agency [36 CFR Part 800.16(y)]. Any action that has the potential to cause ground disturbance or affect a resources in any manner is an Undertaking.

NHPA also requires that Federal agencies discuss their actions, before taking them, with SHPO or THPO, the public, and, when necessary, with ACHP.

#### Section 106 states:

The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted Undertaking in any State and the head of any Federal department or independent agency having authority to license any Undertaking or prior to the issuance of any license, as the case may be, take into account the effect of the Undertaking on any district, site, building, structure, or object that is included in or eligible for inclusion in the *National Register*. The head of any such Federal agency shall afford the Advisory Council on Historic Preservation established under Title II of this Act a reasonable opportunity to comment with regard to such Undertaking. 16 U.S.C. Section 470f.

The definitions of the three categories of effect an Undertaking may have on cultural resources under section 106 compliance are:

- (1) No historic properties affected. There are no cultural resources present in the area of potential effects, or there are cultural resources present, but the Undertaking has no potential to affect them.
- (2) No adverse effect. There could be an effect, but the effect would not be harmful to those characteristics that qualify the property for inclusion in the *National Register*.
- (3) Adverse effect. The Undertaking has a negative or adverse effect, on cultural resources. An adverse effect diminishes the characteristics that qualify a cultural resource for inclusion in the *National Register*.

b. **Section 110.**

Section 110 of the NHPA requires Federal agencies to be responsible for the preservation of the cultural resources owned or controlled by the agency. Section 110 required Federal agencies to have an active historic preservation program that manages cultural resources. Other primary focuses of section 110 are surveying for cultural resources, evaluating the significance of the cultural resources, plan developments to protect cultural resources, and nomination of eligible cultural resources to the *National Register*.

Identification of cultural resources should be considered a separate process that is initiated well in advance of the section 106 process. Before cultural resources can be preserved or the effects of proposed actions on them determined the resources must be located and their significance evaluated.

**Section 110 states:**

Section 110(a) (1): The heads of all Federal agencies shall assume responsibility for the preservation of historic properties, which are owned or controlled by such agency. Prior to acquiring, constructing, or leasing buildings for purposes of carrying out agency responsibilities, each Federal agency shall use, to the maximum extent feasible, historic properties available to the agency. Each agency shall Undertake, consistent with preservation of such properties and the mission of the agency and the professional standards established pursuant to section 101(f), any preservation, as may be necessary to carryout this section.

Section 110(a) (2): Each Federal agency shall establish . . . a preservation program for the identification, evaluation, and nomination to the *National Register*, and protection of historic properties. Such program shall ensure—

- (1) that historic properties under the jurisdiction or control of the agency are identified, evaluated, and nominated to the *National Register*;
- (2) that such properties under the jurisdiction or control of the agency as are listed in or may be eligible for the *National Register* are managed and maintained in a way that considers their preservation of their historic, archaeological, architectural and cultural values in compliance with section 106 and gives special consideration to the preservation of such values in the case of properties designated as having National significance;
- (3) that the preservation of properties not under the jurisdiction or control of the agency, but subject to be potentially affected by agency actions are given full consideration in planning;
- (4) that the agency's preservation-related activities are carried out in consultation with other Federal, State, and local agencies, Indian Tribes, Native Hawaiian organizations carrying out historic preservation planning activities, and with the private sector; and
- (5) that the agency's procedures for compliance with section 106—
  - (a) are consistent with regulation issued by the Council pursuant to section 211;
  - (b) provide a process for the identification and evaluation of historic properties for listing in the *National Register* and the development and implementation of agreements, in consultation with State Historic Preservation Officers, local governments, Indian Tribes, Native Hawaiian organizations, and the interested public, as appropriate, regarding the means by which adverse effects on such properties will be considered; and

- (c) provide for the disposition of Native American cultural items from Federal or Tribal land in a manner consistent with section 3(c) of the Native American Grave Protection and Repatriation Act (25 U.S.C. Section 3002(c)).

Section 110 establishes specific benchmarks for Federal agency preservation programs:

- An agency may not grant assistance, license, or permit to an applicant who damages or destroys cultural resources with the intent of avoiding the requirements of section 106, unless specific circumstances warrant such assistance.
- Cultural resources under agency jurisdiction or control are to be managed and maintained in a way that considers the preservation of their historic, archeological, architectural, and cultural values.
- Cultural resources not under agency jurisdiction or control but potentially affected by agency actions are to be fully considered in agency planning.
- Preservation-related activities should be carried out in consultation with other Federal, State, and local agencies, Native Americans, and the private sector.
- Procedures for compliance with section 106 of the NHPA are to be consistent with regulations issued by the ACHP.

c. **Four-Step Section 106 Process.**

Commonly known as the “Section 106 process,” the procedure for meeting section 106 requirements is defined in regulations of the ACHP, “Protection of Historic Properties” (36 CFR Part 800).

The four steps for completing section 106 compliance are: (1) initiate the section 106 process, (2) identify *National Register* listed or eligible properties, (3) assess effects to the *National Register* listed or eligible properties, and (4) resolve adverse effects. The process is further described and discussed in 36 CFR Part 800, “Protection of Historic Properties.”



d. **Consultation.**

Early consultation is one of the keys to the successful completion of the section 106 process. NHPA is essentially a “consultation” statute. NHPA achieves historic preservation objectives by ensuring consultation with knowledgeable parties and the public.

Involving all the players early in the process builds trust, uses the process the way it was intended (to seek consultation rather than rubber stamping a decision), and ensures a multidisciplinary approach to the project or plan. But, most importantly, working together early ensures that decisions are made using all the tools and talents available to the area, making for better decisions and the best possible options for area resources. Early involvement also helps everyone who is a part of the process understand how and why decisions were made, what the factors were in making the decision, and ultimately creates fewer headaches, problems, and detours half-way through a project.

According to ACHP regulations, consultation is “the process of seeking, discussing, and considering the views of other participants and, where feasible, seeking agreement with them regarding matters in the section 106 process” [section 800.16(f)]. The goals of consultation are (1) the identification of cultural resources potentially affected by an Undertaking, (2) assessing the effects of the Undertaking on cultural resources, and (3) seeking ways to avoid, minimize, or mitigate any adverse effects on cultural resources.

Federal agencies should use the knowledge and expertise of professional and vocational historians, architectural historians, landscape architects, and archaeologists to obtain information about important cultural resources and the effects of actions on the resources. Federal agencies are required to consult with Native Americans and native Hawaiians about actions that could affect them or resources important to them.

Depending on the type and magnitude of the Undertaking, consulting parties include SHPO and THPO, ACHP, other Federal agencies, federally recognized Indian Tribes, native Hawaiian organizations, local governments, and applicants for Federal assistance, permits, licenses, or other approvals. Non-federally recognized Tribes, as well as other individuals and organizations with a demonstrated legal, economic, or preservation interest, such as property owners, may request (in writing) to be consulting parties. However, Reclamation has the final say, after consulting with SHPO and THPO, as to whether or not they may participate in the section 106 process as consulting parties. The viewpoints of consulting parties should be considered both as an aid in information gathering and as a basis for decisionmaking.

Consultation is not the agency seeking approval to carry out Federal agency actions. Consultation is Federal agencies consulting with experts who can give very good advice, but the Federal agency is still the decisionmaker because cultural resources are Federal property.

Most projects involve more than one discipline, so the best management decisions are those that incorporate the expertise of all disciplines related to the project. This expertise should be from professionals who meet standards as defined by the *Archeology and Historic Preservation: Secretary of the Interior's Standards and Guidelines, September 29, 1983, Federal Register, 36 Code of Federal Regulations Section 61.*

Findings of no adverse effect on cultural resources and most adverse effect findings and memoranda of agreement agreed to by Reclamation and SHPO and THPO are no longer routinely reviewed by ACHP. However, ACHP must be invited to consult whenever an Undertaking will adversely affect cultural resources, and ACHP review must be sought in event of a disagreement with SHPO and THPO. ACHP may elect to enter the section 106 process at anytime if requested by a consulting party or when an Undertaking (1) has substantial impacts on important cultural resources, (2) presents important questions of policy or interpretation, (3) has the potential for presenting procedural problems, or (4) presents issues of concern to Indian Tribes or other Native Americans.

e. **Resource People.**

The first place to check for assistance is with knowledgeable resource people in the area in which the cultural resources are located. Your first point of contact would be the appropriate Reclamation cultural resources specialist. Other possibilities include contracting with outside experts or universities.

f. **Public Involvement.**

Active participation by the public is provided for in the section 106 review process. The general public must be notified of agency actions, and organizations and individuals concerned with the effects of an Undertaking on cultural resources are to be involved in the review process in various ways, depending on their particular interests.

ACHP regulations (36 CFR Part 800) address the issue of public involvement.

## **2. Archaeological Resources Protection Act**

ARPA and its implementing regulation, 43 CFR Part 7, establish a regulatory process for the excavation and collection of archaeological materials from Federal and Indian land, including the requirement for permits by individuals and institutions possessing the appropriate expertise and standing. ARPA also establishes criminal penalties for vandalizing archaeological sites or conducting excavations without a permit. ARPA defines archaeological resources to be any material remains of past human life or activities that are of archaeological interest and are at least 100 years old. APRA permits can be obtained only from the Federal or Tribal land managing unit.

## **3. Native American Graves Protection and Repatriation Act**

NAGPRA conveys the ownership and control of Native American and native Hawaiian human remains, associated and unassociated funerary objects, sacred objects, and objects of cultural patrimony that are excavated or discovered on Federal or Tribal lands to the lineal descendants, culturally affiliated Tribe or group, or the Federal Government in cases where cultural affiliation is not determined. It also establishes criminal penalties for trafficking in human remains or other NAGPRA items. Reclamation Manual Directives and Standards LND 07-01 provides procedures to follow in the event of a NAGPRA discovery on Reclamation lands; many of the requirements in LND 07-01, including reporting time constraints, derive from NAGPRA and regulation 43 CFR Part 10.

## **C. CONCESSION POLICIES AND GUIDELINES**

It is the policy of Reclamation that all programs affecting cultural resources are subject to the provisions of the National Historic Preservation Act (15 USC 470 et seq.), the National Environmental Policy Act (42 USC 4371 et seq.), the American Indian Religious Freedom Act (42 USC 1996), the Native American Graves Protection and Repatriation Act (25 USL 3001), Executive order (E.O.) 13007 (Indian Sacred Sites), the Advisory Council on Historic Preservation's regulations regarding "Protection of Historic Properties" (36 CFR Part 800), the Secretary of the Interior's "Standards and Guidelines for Archeology and Historic Preservation" (FR 48:44716-40), "Federal Agency Responsibilities under section 110 of the National Historic Preservation Act" (FR 53:4727-46), and the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Other applicable legislation and regulations and specific management procedures are detailed in appropriate Reclamation standards.

Reclamation will identify and evaluate the cultural resources of each area as necessary parts of the area's information base. The resulting inventories will provide the substantive data for nominating resources to the *National Register*; for general area

planning and specific cultural resource management proposals; for land acquisition, development, interpretation, and maintenance activities; and for compliance with legal requirements.

Other Federal agencies; State, and local governments; potentially affected Native American and other communities; and interest groups and entities specified by law or regulations including SHPOs and ACHP will be given opportunities to become informed about and comment on anticipated Reclamation actions at the earliest practicable time. Reclamation will also encourage the continuing informal exchange of views with concerned local communities on cultural resource matters.

Any action that might affect cultural resources will be Undertaken only if it meets all the following criteria:

- The action is consistent with the area's purposes and applicable Reclamation policies and guidelines.
- Cultural resource specialists have participated in planning, and sufficient data have been gathered to assess the probable effects.
- Relevant sections of NHPA have been complied with in accordance with the regulations for the "Protection of Historic Properties" (36 CFR Part 800.)
- In cases involving traditional cultural properties or ethnographic resources, affiliated Native American and other ethnic groups have been consulted and their concerns have been taken into account.

Any action that will adversely affect cultural resources will be Undertaken only if the following additional criteria are met:

- There is no reasonable alternative.
- All reasonable measures to limit adverse effects will be taken, including recovery of data and salvage of materials, as appropriate.

Historic structures and related historic property owned by, but not occupied by Reclamation, or structures and property owned by others in which Reclamation has a less-than-fee interest or major management or preservation role, will be studied, inventoried, protected, treated, maintained, and used in accordance with Reclamation policies, guidelines, and standards to the extent permitted by Reclamation's interest. Whenever feasible and appropriate, interests acquired or retained by Reclamation will enable application of this policy.

Concessionaires, as federally licensed operators, will take actions that assist Reclamation in complying with the regulations for the "Protection of Historic Properties" (36 CFR Part 800) promulgated by ACHP. Leasing, using, maintaining, and modifying concession facilities in or eligible for the *National Register* are actions

subject to the applicable provisions of all laws, Executive orders, regulations, and policies pertaining to cultural properties. Historic structures, their contents, and museum objects in the control of concessionaires will be treated in accordance with the appropriate Department of the Interior standards (Departmental Manual Chapter 411) and Reclamation policies.

#### **D. NATIONAL REGISTER OF HISTORIC PLACES**

The *National Register* is the comprehensive list of districts, sites, buildings, structures, and objects of significance in American history, architecture, archaeology, engineering, and culture kept by the National Park Service under authority of NHPA. The *National Register* is the official list of the Nation's cultural resources worthy of preservation. It is part of a national program to coordinate and support public and private efforts to identify, evaluate, and protect cultural resources. A property determined eligible for listing in the *National Register* carries the same status as a property formally listed.

Reclamation is responsible for determining the eligibility of its cultural resources for inclusion in the *National Register*. The process for determining eligibility or nominating a cultural resources to the *National Register* is done in consultation with SHPO or THPO or both. Once a cultural resources has been determined eligible, Reclamation may formally nominate it to the *National Register*. If there is disagreement among the consulting parties regarding a property's eligibility, the documentation is sent to Keeper of the *National Register* for resolution.

As noted earlier, section 110 of NHPA directs Federal agencies to identify and evaluate cultural resources for eligibility and listing in the *National Register*. The criteria used to evaluate a cultural resource and determine its *National Register* eligibility are described in *National Register* Bulletins 15, 16a, and 16b. A resource must possess integrity of location, design, setting, materials, workmanship, feeling, and association.

Cultural resources must meet one of the four criteria of significance to be listed in or eligible to be listed in the *National Register*:

- Associated with events that have made a significant contribution to the broad patterns of American history.
- Associated with the lives of people significant in American history.
- Embody the distinctive characteristics of a type, period, or method of construction that represent the work of a master, that possess high artistic values, or that represent a significant distinguishable entity whose components may lack individual distinction.
- That yielded or may be likely to yield information important in history or prehistory.

Significance is linked to “historic context.” Historic contexts are patterns, themes, or trends in history by which cultural resources are understood and their meaning and, therefore, significance is clear. Historic context can be local, State, regional, or national.

## **E. ROLES AND RESPONSIBILITIES**

### **1. Area Managers**

Area managers are responsible for ensuring NHPA compliance. When project planning is initiated, the area manager is responsible for determining if section 106 applies and scheduling sufficient time for the section 106 process, including involving consulting parties and the public. Reclamation areas are responsible for maintaining records of section 106 consultations.

NHPA requirements are based on ACHP regulations (36 CFR Part 800). Reclamation areas prepare all administrative paperwork and conduct required consultations.

Regulation 36 CFR Section 800.12 states that Federal agencies should develop plans for treating cultural resources in the event of an emergency. Reclamation has a programmatic agreement executed with ACHP and the National Conference of SHPOs that specifies agency plans for considering cultural resources during conditions of a natural disaster. The specified actions will occur during such an event.

### **2. Regional Offices**

Regional offices are a valuable source of direct expertise and services, and they can assist areas in obtaining professional support beyond the regional office when support is not available from the regional office. These services include a broad array of resource protection and section 106 expertise, trouble-shooting, dispute resolution, negotiation of mitigation measures, rapport building with partners, program formulation, and training. In some instances, a regional office may be the lead in executing section 106 compliance and developing programmatic agreements.

### **3. Office of Program and Policy Services - Denver**

The Office of Program and Policy Services establishes policy for cultural resources management activities. It works closely with the ACHP on reviewing and implementing new or revised regulations.

#### **4. Area Office**

The area office generally has the lead in developing or revising a programmatic agreement, which is a special type of memorandum of agreement typically developed for a large or complex project or a class of Undertakings that would otherwise require numerous individual section 106 actions. Procedures for developing a programmatic agreement are spelled out in 36 CFR Section 800.14(b).

#### **5. State Historic Preservation Officer**

The SHPO is a State-appointed official. Duties include consultation with Federal agencies during section 106 reviews. SHPO administers the National Historic Preservation Program at the State level, reviews *National Register* nominations, certifies local governments as eligible for preservation grants, and maintains data files on cultural resources.

Federal agencies must seek the views of the appropriate SHPO(s) while identifying cultural resources and assessing effects of Undertakings on them. SHPO should also be involved early in the planning process, before decisions are made regarding cultural resources.

#### **6. Tribal Historic Preservation Officer**

THPO is the Tribal official appointed by the Tribe's chief governing authority or designated by a Tribal ordinance or preservation program. THPO has assumed SHPO responsibilities for section 106 compliance on Tribal lands.

Federal agencies must seek the views of the appropriate THPO(s) (or Tribe, if a THPO has not been designated) while identifying cultural resources on Tribal lands and assessing effects of Undertakings on them.

If THPO has formally assumed the duties of SHPO, findings of no historic properties affected, no adverse effect, and adverse effect are submitted to THPO for review and comment. If THPO has not formally assumed SHPO duties, findings of no historic properties affected, no adverse effect, and adverse effect are submitted to the Tribe and SHPO for review and comment. Agencies and THPOs may also develop memoranda of agreement to implement plans and projects.

## **7. Advisory Council on Historic Preservation**

ACHP was created as an independent Federal agency in 1966 by NHPA. ACHP has statutory authority to (1) review and comment on Federal actions affecting cultural resources listed in or eligible to be listed in the *National Register*, (2) to advise the President and Congress on historic preservation matters, and (3) to recommend measures to coordinate activities of Federal, State, and local agencies.

## **F. HISTORIC PRESERVATION INVESTMENT TAX CREDITS**

Historic Preservation Certifications Pursuant to the Tax Reform Act of 1976, the Revenue Act of 1978, the Tax Treatment Extension Act of 1980, and the Economic Recovery Tax Act of 1981 (36 CFR Part 67) establish procedures whereby owners or holders of long-term leases for old or historic buildings may obtain certifications to gain Federal tax credits for rehabilitation and describe tax deductions for owners who donate interests in cultural resources for preservation purposes.

The Economic Recovery Tax Act of 1981 authorizes tax incentives for the rehabilitation of historic buildings. Special investment tax credits (ITC) are possible for qualified rehabilitation of certified historic structures. Concessionaires are considered lessees who are qualified to receive the tax credit if the remaining term of the lease (concession contract) on the date the rehabilitation is completed is at least 15 years. Rehabilitation costs must exceed the greater of \$5,000 or the adjusted basis of the property (cost of the building plus capital improvements less accumulated depreciation).

A building may be certified by the Secretary of the Interior as historic if it is listed in the *National Register* or if it is located in a registered historic district and the Secretary of the Interior certifies that the building is of historic significance to the district. Some concessionaire buildings may qualify for listing in the *National Register* and could benefit greatly from the ITC program.

## **G. TRAINING**

Because there are varying levels of expertise, no one method of training will work for all people. To reasonably succeed in complementing Reclamation's Cultural Resources Management Program, including section 106 consultation and compliance, it is important to communicate with staff trained and knowledgeable in the process, procedures, and laws.

Reclamation can assist by providing information on where a concessionaire can obtain specialized instruction. Potential sources include ACHP, the National Park Service, the Bureau of Land Management, Reclamation's internal cultural resources management training, and local universities.



# APPENDIX A

## CULTURAL RESOURCE LEGISLATION AND REGULATIONS

### Legislation

**Abandoned Shipwreck Act of 1987**, Public Law (P.L.) 100-298, 102 Stat. 432, 42 U.S.C. Sections 2101-6.

The act asserts U.S. title to three categories of abandoned shipwrecks: those embedded in a State's submerged lands, those embedded in coralline formations protected by a State on its submerged lands, and those located on a State's lands that are included or determined eligible for inclusion in the *National Register*. The law then transfers title for a majority of those shipwrecks to the respective States and provides that States develop policies for management of the wrecks so as to protect natural resources, permit reasonable public access, and allow for recovery of shipwrecks consistent with the protection of historical values and environmental integrity of wrecks and sites.

**American Folklife Preservation Act of 1976**, P.L. 94-201, 20 U.S.C. Sections 2101-2107.

U.S. policy is to “preserve, support, revitalize, and disseminate American folklife traditions and arts.” This act defines folklife, establishes the American Folklife Center, and authorizes the Librarian of Congress to promote various American folklife programs.

**American Indian Religious Freedom Act**, P.L. 95-341, 92 Stat. 469, 42 U.S.C. Section 1996.

The act declares policy to protect and preserve the inherent and constitutional right of the American Indian/Eskimo/Aleut/ Native Hawaiian people to believe, express, and exercise their traditional religions and calls for a now-completed evaluation of Federal procedures, programmatic objectives and policies. The statute imposes no specific procedural duties on Federal agencies. Religious concerns should be accommodated or addressed under the National Environmental Policy Act or other appropriate statutes.

**Antiquities Act of 1906**, P.L. 59-209, 34 Stat. 225, 16 U.S.C. Sections 432 and 43 CFR Part 3.

The act provides for the protection of historic or prehistoric remains “or any antiquity” on Federal lands, establishes criminal sanctions for unauthorized destruction or taking of antiquities, authorizes the President to declare national monuments by proclamation, and authorizes the scientific investigation of antiquities on Federal lands, subject to permit and regulations. The act protects historic monuments and ruins on public lands. Passage of the Archeological Resources Protection Act (1979) supersedes the Antiquities Act as an alternative Federal tool for prosecution of antiquities violations.

**Archaeological and Historic Preservation Act of 1974**, P.L. 93-291, 88 Stat. 174, 16 U.S.C. Section 469.

The act amends and updates the Reservoir Salvage Act of 1960 to broaden legislation beyond dam construction. Provides for the preservation of significant scientific, prehistoric, historic, or archeological data (including relics and specimens) that might be lost or destroyed as a result of (1) the construction of dams, reservoirs, and attendant facilities or (2) any alteration of the terrain caused as a result of any Federal construction project or federally licensed project, activity, or program. Provides for the recovery of data from areas to be affected by Federal actions.

**Archaeological Resources Protection Act of 1979**, P.L. 96-95, 93 Stat. 712, 16 U.S.C. Section 470aa et seq. and 43 CFR Part 7, subparts A and B, 36 CFR Part 79.

The act secures the protection of archeological resources on public or Indian lands and fosters increased cooperation and exchange of information between private parties and the governmental organization, and the professional community to facilitate enjoyment and the education of present and future generations. The act regulates excavation and collection on public and Indian lands. The act defines archeological resources to be any material remains of past human life or activities that are of archeological interest and are at least 100 years old. Before issuing a permit, it requires notification of the Indian Tribes that may consider a site to be of religious or cultural importance. The act was amended in 1988 to require development of plans for surveying public lands for archeological resources and systems for reporting incidents of suspected violations.

**Architectural Barriers Act of 1968**, P.L. 90-480, 82 Stat. 718, 42 U.S.C. Section 4151 et seq.

Buildings or facilities constructed, altered, leased, or financed by the Federal Government or a Federal grant since August 12, 1968, are subject to the statute. Standards are established for design, construction, or alteration of buildings to ensure people with disabilities will have ready access to and use of such buildings. Historic structures are not subject to the standards until they are altered.

**Department of Transportation Act of 1966**, P.L. 89-670, 80 Stat. 931, 49 U.S.C. Section 303.

The act restricts the use of parklands for federally supported highways and other projects requiring Department of Transportation approval. Section 4(f) mandates that no project that requires the use of land from public parks, recreation areas, or wildlife or waterfowl refuges of national, State, or local significance will be approved unless there is no feasible or prudent alternative and all possible planning is done to minimize the harm to such an area.

**General Authorities Act of 1976**, P.L. 94-458, P.L. 94-458, 90 Stat. 1939, 16 U.S.C. Section 1a1 et seq.

The act allows the Secretary of the Interior (Secretary) “to withhold from disclosure to the public, information relating to the location of sites or objects listed in the *National Register* whenever the Secretary determines that the disclosure of specific information would create a risk of destruction or harm to such sites or objects.”

**Historic Preservation Certifications Pursuant to the Tax Reform Act of 1976, the Revenue Act of 1978, the Tax Treatment Extension Act of 1980, and the Economic Recovery Tax Act of 1981, 36 CFR Part 67.**

These certifications establishes procedures whereby owners or holders of long-term leases or old or historic buildings may obtain certifications to gain Federal tax credits for rehabilitation and describes tax deductions for owners who donate interests in cultural resources for preservation purposes.

**Historic Sites Act of 1935**, 49 Stat. 666, 16 U.S.C. Sections 461-467 and 36 CFR Part 65.

This act establishes “national policy to preserve for public use historic sites, buildings and objects of significance for the inspiration and benefit of the people of the United States.” It directs the Secretary of the Interior to carry out wide-ranging programs in the field of history and places with the Secretary of the Interior the responsibility for national leadership in the field of historic preservation. The act authorizes the Historic American Buildings Survey, the Historic American Engineering Record, and the National Survey of Historic Sites and Buildings. The act established the national Historic Landmark Program.

**National Environmental Policy Act (NEPA)**, P.L. 91-190, 42 U.S.C. Section 4321 et seq. And 40 CFR Part 1500.

NEPA is the basic national charter for environmental protection. It establishes policy, sets goals, and provides the means for carrying out the policy. It contains an “action-forcing” provision to ensure that Federal agencies act according to the letter and spirit of the law. It requires a systematic analysis of major Federal actions that will consider all reasonable alternatives as well as an analysis of short-term and long-term impacts, irretrievable and irreversible impacts, and unavoidable impacts. It also establishes the Council on Environmental Quality.

**National Historic Preservation Act of 1966**, as amended, P.L. 89-665, 80 Stat. 915, 16 U.S.C. Section 470 et seq. and 36 CFR Parts 18, 60, 61, 63, 68, 79, 800.

NHPA declared a national policy of historic preservation, including the encouragement of preservation on the State and private levels; authorized the Secretary of the Interior to expand and maintain a *National Register*, including properties of State and local as well as national significance; authorized matching Federal grants to the States and the National Trust for Historic Preservation for surveys and planning and for acquiring and developing *National Register* properties; established the Advisory Council on Historic Preservation; required Federal agencies to consider the effects of their Undertakings on *National Register* properties and provided the Advisory Council with opportunities to comment (section 106). It was amended in 1976 (P.L. 94-422) to expand section 106 to properties eligible for, as well as listed in, the *National Register*. It was amended in 1980 (P.L. 96-515) to incorporate E.O. 11593 requirements, to give national historic landmarks extra protection in Federal project planning and to permit Federal agencies to lease historic properties and apply the proceeds to any *National Register* properties under their administration. NHPA was amended in 1992 to, among other things, redefine Federal Undertakings, address “anticipatory demolition,” emphasize the interests and involvement of Native Americans and Native Hawaiians, and established the Tribal Historic Preservation Office Program.

**National Trust Act of 1949**, P.L. 81-408, 63 Stat. 927, 16 U.S.C. Section 468c-e.

The act facilitates public participation in preservation of sites, buildings, and objects of national significance or interest. It creates the National Trust for Historic Preservation and empowers it to acquire and hold property for historic preservation purposes.

**Native American Grave Protection and Repatriation Act**, P.L. 101-601, 104 Stat. 3049, 25 U.S.C. Sections 3001-3013.

The act assigns ownership or control of Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony that are excavated or discovered on Federal lands or Tribal lands after passage of the act to lineal descendants or culturally affiliated Native American groups; it establishes criminal penalties for trafficking in remains or objects obtained in violation of the act; it provides that Federal agencies and museums that receive Federal funding shall inventory Native American human remains and associated funerary objects in their possession or control, identify their cultural and geographical affiliations within 5 years, and prepare summaries of information about Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony. This act provides for repatriation of such items when lineal descendants or Native American groups request it.

**Indian Sacred Sites**, E.O. 13007

To the extent practicable, Federal land managers shall (1) accommodate access to and ceremonial use of Indian sacred sites by Indian religious practitioners and (2) avoid adversely affecting the physical integrity of such sites. Each land managing agency shall implement procedures for the purposes of carrying out the E.O., including procedures to ensure reasonable notice of proposed actions or land management policies that may restrict future access to or ceremonial use of sacred sites.

**Protection of Historic and Cultural Properties**, E.O. 11593; 36 CFR Part 60, 61, 63, 800; 44 FR 6068.

This E.O. instructs all Federal agencies to support the preservation of cultural properties and directs them to identify and nominate to the *National Register* cultural properties under their jurisdiction and to “exercise caution. . .to assure that any federally owned property that might qualify for nomination is not inadvertently transferred, sold, demolished, or substantially altered.” This E.O. was incorporated into NHPA in the 1980 amendments to that act.

**Public Buildings Cooperative Use Act of 1976**, P.L. 94-541, 90 Stat. 2505, 42 U.S.C. Sections 4151-4156.

The act requires the General Services Administration to acquire space for Federal agencies in buildings of architectural or cultural significance where feasible and amends the Architectural Barriers Act relating to the accessibility of certain buildings to people with disabilities.

**Reservoir Salvage Act of 1960**, P.L. 86-523, 70 Stat. 220, 16 U.S.C. Sections 469-469c.

The act provides for the recovery and preservation of “historical and archeological data (including relics and specimens)” that might be lost or destroyed in the construction of dams and reservoirs.

**Tax Reform Act of 1976**, P.L. 94-455, 90 Stat. 1916.

The act provides tax incentives to encourage the preservation of commercial historic structures, including those operated by area concessionaires.

**World Heritage Convention**, P.L. 96-515, 94 Stat. 3000.

Title IV of the National Historic Preservation Act amendments directs the Secretary of the Interior to nominate properties of international significance to the World Heritage List and requires Federal agencies to consider the effects of their Undertakings on properties outside the United States that are on the World Heritage List or on the applicable countries’ equivalents of the *National Register*.

## Regulations

Regulations are promulgated and published in the Code of Federal Regulations (CFR) to direct the implementation of laws. The following CFR citations are most pertinent to cultural resource management.

**43 CFR Part 3** (Antiquities Act) establishes procedures to be followed for permitting the excavation or collection of prehistoric and historic objects on Federal lands.

**43 CFR Part 7**, Subparts A and B (Archaeological Resources Protection Act, as amended), “Protection of Archeological Resources, Uniform Regulations” and “Department of the Interior (Interior) Supplemental Regulations,” provides definitions, standards, and procedures for Federal land managers to protect archeological resources and provides further guidance for Interior bureaus on definitions, permitting procedures, and civil penalty hearings.

**43 CFR Part 10**, (Native American Graves Protection and Repatriation Act), provides direction on implementing NAGPRA requirements.

**36 CFR Part 18** (National Historic Preservation Act of 1966), “Leases and Exchanges of Historic Property,” governs the historic property leasing and exchange provisions of this law.

**36 CFR Part 60** (NHPA and E.O. 11593), “*National Register of Historic Places*,” addresses concurrent State and Federal nominations, nominations by Federal agencies, revision of nominations, and removal of properties from the *National Register*.

**36 CFR Part 61** (NHPA and E.O. 11593), “Procedures for Approved State and Local Government Historic Preservation Programs,” establishes standards for the approval of State historic preservation programs; requires State historic preservation officers to conduct Statewide surveys of cultural properties, prepare and implement State preservation plans, and cooperate with Federal agencies in section 106 compliance; sets qualification standards for preservation professionals.

**36 CFR Part 63** (NHPA and E.O. 11593), “Determinations of Eligibility for Inclusion in the *National Register of Historic Places*,” establishes process for Federal agencies to obtain determinations of eligibility on properties.

**36 CFR Part 65** (Historic Sites Act of 1935), “National Historic Landmarks Program,” establishes criteria and procedures for identifying properties of national significance, designating them as national historic landmarks, revising landmark boundaries, and removing landmark designations.

**36 CFR Part 67**, “Historic Preservation Certifications Pursuant to the Tax Reform Act of 1976, the Revenue Act of 1978, the Tax Treatment Extension Act of 1980, and the Economic Recovery Tax Act of 1981,” establishes procedures whereby owners or holders of long-term leases for old or historic buildings may obtain certifications to gain Federal tax credits for rehabilitation and describes tax deductions for owners who donate interests in cultural resources for preservation purposes.

**36 CFR Part 68** (NHPA) contains the Secretary of the Interior’s standards for historic preservation projects, including acquisition, protection, stabilization, preservation, rehabilitation, restoration, and reconstruction.

**36 CFR Part 79** (NHPA and ARPA), “Curation of Federally Owned and Administered Archeological Collections,” provides standards, procedures, and guidelines to be followed by Federal agencies in preserving, and providing adequate long-term curatorial services for, archeological collections of prehistoric and historic artifacts and associated records that are recovered under section 110 of NHPA, the Reservoir Salvage Act, ARPA, and the Antiquities Act.

**36 CFR Part 800** (NHPA and EO 11593), “Protection of Historic Properties; Recommended Approach for Consultation on Recovery of Significant Information From Archeological Sites; Final Rule and Notice,” includes regulations of the Advisory Council on Historic Preservation to implement section 106 of the National Historic Preservation Act, as amended, and presidential directives issued pursuant thereto.

## APPENDIX B

### PUBLICATIONS

The following documents can be used for guidance on compliance issues. A short description of the document follows the title.

#### Laws and Guidelines

*Federal Historic Preservation Laws.* National Park Service, Cultural Resources Programs, 1993. Annotated versions of the Historic Sites Act, National Historic Preservation Act, National Park Service Organic Act, Mining in National Parks Act, Antiquities Act, Archaeological and Historic Preservation Act, Archaeological Resources Protection Act, Abandoned Shipwrecks Act, Native American Grave Protection and Repatriation Act, Tax Act, Department of Transportation Act, National Environmental Policy Act, Amtrak Improvement Act, and Public Buildings Cooperative Use Act.

Introduction to Federal Projects and Historic Preservation Law, Advisory Council on Historic Preservation.

*National Historic Preservation Act of 1966, as amended.* Advisory Council on Historic Preservation, National Conference of State Historic Preservation Officers, and National Park Service. Third edition, 1993. Annotated version of the Act.

#### Section 106

*Five-Minute Look at Section 106.* Advisory Council on Historic Preservation, revised 1992. 4-page summary of the section 106 process.

*Section 106 Participation by Indian Tribes and other Native Americans.* Advisory Council on Historic Preservation.

*Section 106 Participation by State Historic Preservation Officers.* Advisory Council on Historic Preservation, revised 1992. Highlights functions of the SHPO in section 106 review.

*Working with Section 106, 36 CFR Part 800: Protection of Historic Properties, Regulations of the Advisory Council on Historic Preservation Governing the section 106 Review Process.* Advisory Council on Historic Preservation, 1986. Annotated version of regulations as published in the Federal Register in September 1986.

*Working with Section 106, Public Participation in Section 106 Review: A Guide for Agency Officials.* Advisory Council on Historic Preservation, February 1989. Helps agencies involve the public effectively, with a minimal burden to agency missions.

*Working with Section 106, Section 106, Step-by-Step.* Advisory Council on Historic Preservation, 1986. Background and detailed “step-by-step” instructions on how section 106 works, with special situations, alternatives to the step process, and other special considerations.

## **Section 110**

*National Register Bulletin #15: How to Apply the National Register Criteria for Evaluation.* National Park Service, Interagency Resources Division, Washington, DC, 1991. Explains how *National Register* criteria are applied in evaluating the wide range of properties that may be significant in local, State, and national history.

*National Register Bulletins #16 and 16B: Guidelines for Completing National Register of Historic Places Forms.* National Park Service, Interagency Resources Division, Washington, DC, 1986. Describes how to complete *National Register* forms, multiple property registration forms, and continuation sheets.

*National Register Bulletin #18: How to Evaluate and Nominate Designed Historic Landscapes.* National Park Service, Preservation Assistance Division, Washington, DC, 1989. Guide to identification, evaluation, and nomination of designed historic landscapes to the *National Register*.

*National Register Bulletin #30: Guidelines for Evaluating and Documenting Rural Historic Landscapes.* National Park Service, Interagency Resources Division, Washington, DC, 1989. Defines rural historic landscape, describes characteristics, and suggests practical methods for survey and research. Examines how to apply *National Register* criteria, evaluate significance and integrity, and draw boundaries for rural properties.

*National Register Bulletin #32: Guidelines for Evaluating and Documenting Properties Associated with Significant Persons.* National Park Service, Interagency Resources Division, Washington, DC, 1989. Provides assistance in determining whether a property meets *National Register* eligibility standards under Criterion B as “associated with the lives of persons significant in our past.”

*National Register Bulletin #39, Researching a Historic Property.* National Park Service, Interagency Resources Division, Washington, DC, 1991. Introduces beginners to basic sources and techniques for collecting data to nominate properties to the *National Register*.

*Working with Section 106, Identification of Historic Properties: A Decisionmaking Guide for Managers.* Advisory Council on Historic Preservation and National Park Service, September 1988. Guide answers questions on how to carryout a program of identification and what approaches to use. Describes identification principles, how to design an identification effort, and how to report and preserve identification results.



*Working with Section 106, The Section 110 Guidelines: Annotated Guidelines for Federal Agency Responsibilities under Section 110 of the National Historic Preservation Act.* Advisory Council on Historic Preservation and National Park Service, November 1989. Annotated text of section 110 guidelines as published in February 1988 Federal Register. Notes identify sections and cross-references to other publications.

## **Secretary's Standards**

*Archeology and Historic Preservation: Secretary of the Interior's Standards and Guidelines, 48 Federal Register 44716, September 29, 1983.*

*Interpreting the Secretary of the Interior Standards for Rehabilitation, Volumes I, II, and III.* National Park Service, Preservation Assistance Division, Washington, DC, 1985. Bulletins were initiated in April 1980 to explain rehabilitation project decisions made by National Park Service. Rather than describe every aspect of overall rehabilitation in great detail, the bulletins focus on specific issues (alterations to store fronts, through-the-wall air conditioners, and interior alterations) that posed problems in the review process.

*Secretary of the Interior Standards and Guidelines for Architectural and Engineering Documentation: HABS/HAER Standards.* National Park Service, Cultural Resources Program, Washington, DC, 1990. Describes products acceptable for inclusion in HABS/HAER collections within the Library of Congress.

*The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.* National Park Service, Cultural Resources, Preservation Assistance Division, 1992. Describes standards and gives recommended and not recommended treatment methods.

*The Secretary of the Interior's Standards for Rehabilitation and Illustrated Guidelines for Rehabilitating Historic Buildings.* W. Brown Morton III, Gary L. Hume, Kay D. Weeks, H. Ward Jandl. National Park Service, Cultural Resources, Preservation Assistance Division, 1992. Shows specific examples of appropriate treatments as well as consequences of inappropriate treatments.

*The Secretary of the Interior's Standards for the Treatment of Historic Properties, 1992.* Pamphlet. National Park Service, Cultural Resources, Preservation Assistance, 1992. Summary of standards and treatment.

*The Secretary of the Interior's Standards for the Treatment of Historic Properties with Guidelines for the Treatment of Cultural Landscapes.* National Park Service, Cultural Resource Stewardship and Partnerships, Heritage Preservation Services, 1996. Shows specific examples of appropriate treatments as well as consequences of inappropriate treatments.

## Other

*LND 07-01: Inadvertent Discovery of Human Remains on Reclamation Lands.* Bureau of Reclamation Directive and Standard.

*CRM: Cultural Resource Management Information for Parks, Federal Agencies, Indian Tribes, States, Local Governments and the Private Sector.* National Park Service, Preservation Assistance Division, Washington, DC, 1991. Volume 14, Number 6. This issue is devoted to cultural landscapes.

*CRM: Cultural Resource Management Information for Parks, Federal Agencies, Indian Tribes, States, Local Governments and the Private Sector.* National Park Service, Preservation Assistance Division, Washington, DC, 1991. Supplement. Issue describes how to protect cultural resources while meeting accessibility standards.

*Draft Guidelines for the Treatment of Historic Landscapes.* National Park Service, Preservation Assistance Division, Washington, DC, 1992. Describes how to use the Secretary's Standards and Guidelines for treatment of historic landscapes. Contains recommended and not recommended actions for various categories.

*Manual of Mitigation Measures,* Advisory Council on Historic Preservation.

*Pamphlets: America's Landscape Legacy and Historic American Engineering Record.* National Park Service, Washington, D.C. The Historic American Engineering Record and a brief description of cultural landscapes.

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## **CHAPTER 16 – FREEDOM OF INFORMATION ACT REQUEST**

In the event that you receive a Freedom of Information Act (FOIA) request of any kind, please forward that request to your Regional FOIA Coordinator (see <<http://www.usbr.gov/foia/contacts.html>>). The FOIA Coordinator will work with you to gather the appropriate records and will determine what is or is not releasable. The FOIA Coordinator will compose and send the reply to the FOIA request and will, if necessary, coordinate with the Solicitor's Office.

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## **CHAPTER 17 – ACCEPTING REDUCED RATES AND ITEMS OF NOMINAL VALUE FROM CONCESSIONAIRES**

Bureau of Reclamation (Reclamation) employees are prohibited from soliciting or accepting gifts, gratuities, entertainment, or other favors from a person who is seeking or who has a business relationship with Reclamation. A Federal employee may accept promotional-type items and food of nominal value on infrequent occasions in the ordinary course of official luncheon or dinner meetings and while on an inspection tour.

### **A. COMPTROLLER GENERAL OPINION-B-143189 40 CG234, OCTOBER 24, 1960**

Opinion advised that the Department of the Interior (Interior) may authorize contract provisions requiring concessionaires to provide discounts or free service to Interior officials who are on official business. Such discounts are not in violation of conflict of interest provisions because the discounts contract clause is a negotiated contract provision between the Government and the concessionaire.

### **B. 54 CG7, OCTOBER 11, 1978**

Comptroller General Opinion advised that generally vested contract rights may not be waived without consideration, but that Comptroller General Opinion would not object to eliminating the discount clause contained in existing concession contracts.

The policy and procedures set forth below permit reduced rates, but only under such safeguards as will prevent abuse or misapplication.

### **C. POLICY**

#### **1. Accepting Reduced Rates and Items of Nominal Value from Concessionaires**

Reclamation employees may not receive concessionaire goods or services at a discount unless they are identified and outlined in connection with official business, it is to the Government's advantage, and it is stipulated in the concession authorization. Reclamation employees may not solicit directly or indirectly any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value from a concessionaire or other person who conducts operations or activities that are regulated by Interior. However, employees may accept from concessionaires promotional material of nominal value and food and refreshments of nominal value on infrequent occasions during official luncheon or dinner meetings.

## D. REDUCED RATES

### 1. General

Concessionaires may provide reduced rates to Government employees only while the employees are conducting official business. The purpose of the reduced rates is to benefit the Government by lowering travel expenses, permitting more effective program control, and maximizing use of Federal funds. If the Government is not obliged to pay for the service or reimburse the employee, no discount may be given. Reduced rates for lodging and essential transportation may be provided directly to Federal employees (not family members) traveling under an approved travel authorization in accordance with Federal Travel Regulations (FPMR 101-7) or other approved method of travel. A purchase order is used for other services. Reduced rates are not applicable under any circumstances for food or merchandise, including groceries, gasoline, or other automobile needs.

The offering of reduced rates by concessionaires or the acceptance of reduced rates for any purpose while not conducting official business or otherwise outside the parameters of this policy is strictly prohibited. Concessionaires are prohibited from providing Federal employees with reduced rates except while on official business; existing contracts may be so amended if the concessionaire agrees. All such reduced rates must be made part of the concessionaire's authorized rate schedule.

### 2. Lodging and Essential Transportation

Essential transportation is defined as transportation that (1) is required to conduct official business and (2) is provided by the concessionaire as the only practicable means of transportation from one point to another.

- a. **Interior employees.**—If the travel authorization or other approved travel document requires lodging or essential transportation, the authorization must indicate the recreation area as a destination point. Blanket travel authorizations need not specify the recreation area as a destination point.

Before allowing a reduced rate, the concessionaire must be shown a copy of the authorization and employee identification.

- b. **Employees who are not Interior employees.**—When a non-Interior employee is visiting a concessionaire to perform services for Reclamation, the area manager will be or should be knowledgeable of the purpose of travel, and if reduced rates are applicable, the concessionaire will advise the traveler. For the traveler to receive the reduced rate, the area manager must send the traveler a letter stating that the traveler is conducting official business and specifying services for which the reduced rate is authorized.

The employee must present the concessionaire with identification, a copy of the signed travel authorization, and a copy of the area manager's letter authorizing the reduced rates.

### 3. Reduced Rates for Other Services

- a. **Eligibility.**—This provision applies to nonessential transportation (e.g., tour boats and horse rides) and other services for which a fee is charged. For an employee to be eligible for reduced rates for these types of services, there must be a valid official purpose for the employee's participation in the activity and the Government must be responsible for payment of the fee or charge. Such reduced rate authorization will fall under one of two categories:
- (1) General official business: There must be a definite relationship between the employee's official duties and the service provided by the concessionaire. For example, an employee may accept a reduced rate for a horseback ride to inspect the condition of a trail.
  - (2) Concessions Review Program:
    - (a) The area manager must designate the employee to conduct official evaluations in accordance with the Concessions Review Program.
    - (b) Reduced rates may not be granted in excess of the number of evaluations used for the Concessions Review Program.
    - (c) For each reduced rate authorization, the prescribed reports contained in the Concessions Review Program are to be completed.
- b. **Procedures.**—
- (1) Appropriate requisition and purchase order forms are to be used when requesting reduced rates from concessionaires. A travel authorization may not be used. Both forms must state at the bottom:  
  
“          (Name of employee)           will be on official business and is entitled to the reduced rate for           (specify)           as provided for in the Authorized Rate Schedule.”
  - (2) The employee must present the concessionaire with identification and a written authorization containing the appropriate wording that permits reduced rates.



#### 4. Exclusions

Reduced rates or no charge arrangements, under the following circumstances, may be authorized in the future and are not subject to the limitations or restrictions listed above:

- a. A charge is not normally applicable in situations in which Reclamation is providing a service to the concessionaire or working directly with the concessionaire in providing a service or activity for the public (e.g., interpretive services on a tour boat).
- b. Employees may accept reduced rates or discounts offered to the general public so long as the term or conditions are the same as those for the public.
- c. Nothing herein shall be construed to limit negotiation of price for procurement-type actions under which the concessionaire provides goods or services to Reclamation. The concessionaire, in such an instance, is like any other vendor to the Government and is selected competitively. Any expenses incurred or revenue generated by the concessionaire through such subsequent procurement is not applicable to the terms and conditions of the concession contract.

#### E. ACCOUNTABILITY AND VERIFICATION

1. A Federal employee will be allowed to accept reduced rates only in accordance with this guidance.
2. The area manager is to require a periodic report from the concessionaire providing a listing of all employees granted reduced rates and the services provided.
3. The area manager is to review the list and compare it to available data concerning official visitors—approved purchase orders and authorized participation.

#### F. CONTRACTUAL PROCEDURES FOR ALLOWING REDUCED RATES

##### 1. Existing Contracts

- a. **Amendment.**—If an existing concessionaire agrees to provide reduced rates to Reclamation employees on official business, the contract or permit must be amended using wording similar to that contained in paragraph 2, below. The reduced rates are to be uniformly applied and approved as part of the concessionaire's rate schedule.

- b. **Conditions.**—Discounted rates may be subject to special conditions imposed by the concessionaire (e.g., no discount during the peak season or a differential between the on-and off-season). These conditions are also to be made part of the rate schedule.

## 2. **New Contracts**

Standard contract language must include the following:

The concessionaire shall require its employees to observe a strict impartiality as to rates and services in all circumstances. The concessionaire may, subject to the prior approval of the area manager, grant complimentary or reduced rates under such circumstances as are customary in businesses of the character conducted hereunder. The concessionaire will provide Federal employees conducting official business reduced rates for lodging, essential transportation, and other specified services in accordance with procedures established by Reclamation.

## G. **ACCEPTANCE OF FOOD AND ITEMS OF NOMINAL VALUE**

### 1. **Official Functions**

An employee may accept: (1) food and refreshments of nominal value on infrequent occasions in the ordinary course of an **official** luncheon or dinner meeting or other **official** meeting or on an inspection tour where an employee may properly be in attendance and (2) advertising material of nominal value such as pens, pencils, note pads, and calendars.

### 2. **Special Events**

Reclamation may permit employees to attend infrequent special functions sponsored by the concessionaire for the purpose of fostering good relations with local communities. At such functions, Federal employees may accept food and other favors of nominal value. The area manager shall approve such events and attendance. Such approval must be given in advance and in writing and it must reflect a conscious determination that such activity meets the criteria stated herein. Announcements or publicity should in no manner imply Reclamation or area office sponsorship.

Attendance at such events is acceptable under the following circumstances:

- a. Attendance can reasonably be characterized as part of the employee's official duties and responsibility.
- b. The event is open to the local community.

- c. When failure to attend a function could hamper relations with the local community and possibly deprive Reclamation of the opportunity to obtain support for accomplishing its mission.

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# CHAPTER 18 – CONCESSION PERSONNEL

## A. LABOR RELATIONS AND STANDARDS

The following are the most pertinent laws and regulations applicable to concessionaires covering safety in the work place, fair labor standards, minimum wage, and union activities.

### 1. Law

#### **29 United States Codes (U.S.C.) Chapter 15 (Occupational Safety and Health)**

This law deals with personnel illnesses and injuries arising out of work situations that result in lost production and lost wages and high medical expenses and disability compensation payments. The law encourages joint labor/management efforts to reduce unnecessary health and financial burdens. The law applies to every private business in the country.

The law permits States to promulgate standards under State law over any occupational safety or health issue with respect to which no Federal standard is in effect, augmenting the mandatory Federal standards.

#### **29 U.S.C. 201 (et seq.)<sup>1</sup>**

This law establishes standards of labor, including hours of work and minimum wages. The law specifically includes payment of the minimum wage by concessionaires.

#### **29 U.S.C. 151 et seq.**

This law provides protection for workers who actively seek association with labor organizations, self-organization, unions, etc., to represent them in negotiating the terms and conditions of their employment.

### 2. Regulation

#### **29 Code of Federal Regulation (CFR) Part 1977**

This regulation provides interpretation of various provisions of section 11(c) of the Occupational Safety and Health Act (OSHA). In general, the regulation

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<sup>1</sup> et seq. - et sequential: and the following.

prohibits the discharging of or discrimination against an employee because the employee exercised a right contained in the regulation that adversely affects his or her employer.

### **36 CFR 8**

This regulation provides applicable labor standards to employees of National Park Service concessionaires. The Bureau of Reclamation (Reclamation) should adopt similar requirements to ensure that concessionaires on Reclamation lands comply with Federal and State labor laws, such as minimum wages, child labor, hours of work, and safety.

## **3. Guidance**

Citations for OSHA violations are to be made only by authorized representatives of the Secretary of Labor. Reclamation personnel may document violations of 36 CFR 8 by concessionaires. The better procedure, however, would be to seek to have Department of Labor inspectors make all OSHA inspections in the recreation area.

When a concessionaire or a union seeks help or advice, an area manager must maintain a posture of neutrality by doing nothing that would be construed as helping or hindering either the concessionaire or the union.

## **B. EQUAL EMPLOYMENT OPPORTUNITY, NONDISCRIMINATION, AND AFFIRMATIVE ACTION**

### **1. Law**

#### **Public Law 88-352 (July 2, 1964) – Civil Rights Act of 1964**

Title VII Injunctive Relief against Discrimination in Places of Public Accommodation.

SEC. 201. (a) All persons shall be entitled to the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of any place of public accommodation, as defined in this section, without discrimination or segregation on the grounds of race, color, religion, or national origin.

Executive Order No. 11246 dated September 24, 1965.

## **2. Guidance**

Concessionaires and their employees shall not discriminate against any individual because of race, creed, color, religion, sex, age, national origin, or physical or mental disability.

Concessionaires with 50 or more employees shall have approved Affirmative Action Plans to ensure equal employment opportunities and must adhere to Reclamation's labor standards and to applicable Federal and State laws.

Upon the execution of a concession contract or permit, and as a part of the annual review of the operation, the area manager should determine if the concessionaire has an applicable approved Affirmative Action Plan. If the concessionaire does not have such a plan, one should be developed by the concessionaire within 120 days of the commencement of the contract.

The Affirmative Action Plan is to be filed by the concessionaire with the Office of Federal Contract Compliance Programs (OFCCP). The Affirmative Action Plan will be deemed to have been accepted by the Government at the time the appropriate OFCCP field, area, regional, or national office has accepted such a plan unless, within 45 days thereafter, the director of the OFCCP has disapproved such a plan.

If copies of Equal Employment Opportunity posters are required, area managers should contact their local Office of Federal Contract Compliance, Department of Labor, or they may contact the Office of Federal Contract Compliance in Washington, D.C., at 202-523-8743.

## **C. SEXUAL HARASSMENT**

### **1. Law**

Reclamation policy on sexual harassment is based on and consistent with relevant laws; regulations issued by the Equal Employment Opportunity Commission (EEOC); related EEOC Management Directives; and Department of the Interior policies.

### **2. Definition**

Sexual harassment is defined as deliberate or repeated unsolicited verbal comments, gestures, or physical contacts of a sexual nature that are unwelcome. Unwelcome sexual advances are unlawful whether verbal or physical in nature and constitute sexual harassment when:

- Submission to such conduct is made a term or condition of an individual's employment.

- Submission to, or rejection of, such contact forms the basis of an employment decision affecting such an individual.
- Such conduct has the purpose or effect of interfering with the work performance or creates an intimidating, hostile, or offensive work environment.

Some of the most obvious forms of sexual harassment include touching, grabbing, lewd gestures, jokes with a sexual connotation, computer screen covers of a sexual nature, and any behavior with sexual overtones that is intimidating or offensive to the recipient or one who observes such behavior or such other displays.

### **3. Guidance**

- All managers shall take all actions necessary to prevent and eliminate employee exposure to a hostile, intimidating, and offensive work environment throughout their service.
- All employees will be held accountable for ensuring that the Reclamation work environment is free of sexual harassment.

## **D. TRAINING**

### **1. Law, Regulation, and Policy**

None.

### **2. Guidance**

During peak visitor seasons, the size of the concessionaire's staff may well exceed the number of area office concession employees. The great majority of concession employees are in positions that require frequent visitor contact. To the visitor, one employee is as likely a source of area information as another. It is highly desirable, therefore, that concession employees be well informed on at least the following:

- a. The nature and purpose of Reclamation.
- b. The resources that are found in the Reclamation area where the concession is located.
- c. The "dos" and "don'ts" expected of all users.



- d. Hours of operation and location of various services within the Reclamation area.
- e. Knowledge of other recreation facilities outside the Reclamation area.

Area managers are urged to develop, in cooperation with the concessionaire, an Orientation Program to accomplish these objectives. It is desirable that the mutual commitment to such a program be documented in the concessionaire's Operating Plan.

Depending on the size of the work force and the amount of employee turnover, concessionaires will often need to develop formal training programs to teach the basic job skills to their personnel; however, the content and extent of such a program is normally within the purview of the concessionaire. In some cases, however, and particularly where poor training has become a problem, the area manager may find it desirable to document the request for a concessionaire's personnel training program in the Operating Plan.

## **E. EMPLOYMENT OF RECLAMATION PERSONNEL DEPENDENTS**

### **1. Law**

None.

### **2. Regulation**

#### **43 CFR, Part 20 § 20.735-23 Outside Work and Interests**

Government employees shall not use their position to influence or coerce or to give the appearance of influencing or coercing a person to provide financial benefits to the employee or another person with whom he or she has family, business, or financial ties.

The broad interpretation given to the regulations for our purposes is that employees' behavior must be such that it does not result in or create the appearance of a conflict of interest or hamper the employees' independence or impartiality in dealing with concessionaires.

### **3. Guidance**

All instances of employment by a concessionaire of the spouse or minor children of Reclamation employees shall have the prior approval of the official in charge of the organizational entity where the spouse or children work. Reclamation should grant such approval except for the spouses or minor children of area

managers, assistant area managers, concessions specialists, and others who have official responsibilities for concession management, evaluation, rate approval, or contract compliance concerning the concessionaire for whom the dependent proposes to work.

Only the Commissioner, or delegate, can grant approval for employment by concessionaires of dependents of Reclamation employees in the above categories.

All requests for approval of employment of dependents shall be in writing and shall indicate the nature of the duties of the Reclamation employee and the nature of the duties as well as the compensation proposed for the dependent. Requests that require approval of Reclamation shall be submitted through channels. No employment of a dependent may begin until written approval is received from the appropriate official.

For purposes of this guideline, a person is a minor until age 21.

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## **CHAPTER 19 – COOPERATING ASSOCIATIONS (OR NONPROFIT ORGANIZATIONS)**

Cooperating associations (Associations) aid and promote interpretive, historical, scientific, and educational activities in Bureau of Reclamation (Reclamation) areas to enhance visitors' appreciation and enjoyment of their experience. In certain circumstances and with Reclamation approval, Associations may sell nontheme visitor convenience items under concession authorizations.

The following guideposts apply:

1. Except where a compatible sales arrangement can be established or is now working, it is not in the public interest for a concessionaire and an Association to carry on duplicate competitive operations in the same building.
2. It is in the interest of the public for the visitor to have easy, ready access to educational and interpretive materials, especially publications. In some cases, Associations have produced materials such as books, postcards, slides, films, and videocassettes indigenous to the areas in which they operate. They should be encouraged to wholesale these materials to concessionaires at appropriate discounts.
3. Visitor convenience items and related merchandise, such as unexposed film, may not be handled by Associations' outlets, except under conditions stated in items 4 and 5.
4. In seasons when concession operations are closed and an agreement can be worked out with the concessionaire, and in isolated locations where no concessionaire or other commercial outlet is readily available, Associations may be permitted to offer convenience and related merchandise to enhance the comfort and enjoyment of the visitor under a limited concession authorization.
5. Associations may not be authorized to sell convenience and related merchandise until and unless any right to additional services of a concessionaire has been fully respected under the terms of a concession authorization.
6. Employees or volunteers working in an official capacity, or a Reclamation project, must wear similar upper body clothing or apparel that identifies them as a part of the cooperating associations.

## **A. GENERAL**

When it is determined to be necessary for the comfort and convenience of visitors and concessionaires are not presently providing such services, Reclamation may authorize Associations to sell visitor convenience items, which may include but are not limited to:

- Hot or cold nonalcoholic beverages (dispensing machines preferred).
- Limited basic over-the-counter drugs and first aid supplies.
- Insect repellent, sun screen, etc.
- Emergency fuel for campground use only (wood, gasoline, etc.).
- Undeveloped film and blank video tapes.
- Postage stamps.
- Vending food items, where appropriate.

The sale of visitor convenience items must be managed in the exact manner as concession permits and contracts issued to concessionaires. Therefore, area managers must take the necessary steps to issue the appropriate concession authorization for the sale of visitor conveniences by an Association. The area managers should follow not only the Association guidelines contained herein but also the Reclamation Manual Policy and Directives and Standards when administering an Association authorization.

When concession authorizations are awarded to Associations for the sale of convenience items, franchise fees are determined pursuant to established concession procedures and deposited into the appropriate account.

Reclamation may establish a sole source limited concession authorization with a Cooperating Association to provide necessary commercial supplies or services to the public. This may occur only when it has been determined that a traditional concessionaire would not have a reasonable opportunity for a profit. The limited concession authorization may be renewed on an annual basis with the Association. At LEAST once every 3 years, Reclamation must re-examine the possible economic opportunity and, if it is determined that, because of visitation or whatever reason, the financial opportunity has improved to the degree that a traditional concessionaire would have a reasonable opportunity to realize a profit, the business opportunity should be made competitively available as a normal concession contract.

### **1. Purpose and Objectives**

These guidelines describe the policy and procedural requirements for relationships between Reclamation and Associations.

Associations are private, nonprofit corporations established under State law. They support the educational, scientific, historical, and interpretive activities of Reclamation in a variety of ways under the provisions of formal agreements.

- a. **To Designate and Terminate Associations.**—Where an Association serves one or more areas within a region, authority to designate an Association is delegated to the regional director or designated official. Where an Association serves areas in more than one region, designation authority resides with each regional director or delegate. Authority to terminate or sign an agreement, including supplemental agreements with an Association, resides with the regional director or designated official.
- b. **Tax Exempt Status.**—Associations must obtain and maintain recognition by the Internal Revenue Service of tax exemption under section 501(c)(3) of the Internal Revenue Code to operate on Reclamation lands.
- c. **Relation to Boards.**—Reclamation employees may not serve on Association boards, even in an ex-officio capacity. They may only offer advice on Association decisions concerning the relationship of the Association to Reclamation and may not represent the Association in business transactions or operations.

Reclamation representatives may attend Association meetings in an advisory, nonvoting capacity, but may not participate in executive sessions of an Association board unless invited.

- d. **Cooperating Association Agreement.**—Reclamation will develop a standard, non-negotiable Cooperating Association Agreement. The agreement will be for 5 years, with no automatic renewal. This agreement will incorporate the policy and procedural requirements set forth by Reclamation. Reclamation-related activities performed by Associations not addressed in the agreement must be addressed in supplemental agreements.

Reclamation reserves the right to terminate the agreement, or any part thereof, for the convenience of the Government or for cause, but must give reasonable notice of its intent to do so and must meet with the Association to present its reasons.

- e. **Association Responsibilities.**—Association boards of directors will notify Reclamation of board meetings and will invite appropriate Reclamation representatives to board meetings and to appropriate committee meetings.

Association employees are not authorized to undertake any Government function or activity on behalf of Reclamation beyond routine visitor information services or other activities authorized by the Cooperating Association Agreement, supplements to the agreement, or agreements for voluntary services.

Associations may not use the “Agreement for Voluntary Services” to circumvent any requirements for insurance coverage included in the Cooperating Association Agreement.

Association employees who engage in public contact must wear some readily identifiable upper body clothing as an indication of Association affiliation, but Association employees may not wear Reclamation or other Government uniforms.

- f. **General Requirements Sales Activities.**—Associations must have a signed agreement to sell goods and services. Friends groups are not authorized to sell goods and services in these areas except through a special agreement with an Association and the approval of Reclamation.

Sales must support the purposes of Associations as stated in their articles of incorporation.

Associations must display a sign that identifies the sales outlet as a nonprofit activity of the officially approved Association for the site.

- g. **Sales Item Approval.**—Items sold on site, through mail order catalogs, and at off-site sales outlets (excluding those sales outlets operated by an Association in partnership with other Government entities), must be approved in advance by Reclamation for appropriateness, price, quality, interpretive value, and accuracy.

Associations may not sell material that violates conservation principles of Reclamation. The sale of original prehistoric or historic artifacts or paleontological specimens is prohibited. Replicas of such artifacts and specimens must be clearly labeled as such.

Craft items represented as being Indian-made shall be sold in accordance with the Indian Arts and Crafts Act of 1990 (Public Law 101-644 [104 Stat. 4662], November 29, 1990).

Paid advertising in sales items (e.g., journals with advertising) must be incidental to the interpretive value or message of an item. Advertising or vendor information should not imply endorsement by Reclamation.

- h. **Off-Site Sales Operations.**—Associations must obtain approval from Reclamation before commencing business operations in off-site sales outlets that do not serve other Government entities.

An Association must consult with Reclamation when considering operating an off-site sales outlet for another Government entity.

Reclamation will periodically review the off-site sales activities of Associations to ensure that Reclamation interests are protected.

- i. **Interpretive Activities.**—Interpretive activities conducted by Associations in support of Reclamation must be approved in advance and annually thereafter by Reclamation.

The Association and the area manager of the affected area will establish standard operating procedures for conducting interpretive programs and activities.

All interpretive programs conducted by Associations on behalf of Reclamation will be audited by Reclamation for content, accuracy, and effective delivery.

Reclamation will assist the Association in providing training to Association staff appropriate to their interpretive activities. Association employees conducting interpretive activities must possess and demonstrate competencies as Reclamation interpreters.

Any fees charged must first be approved by the area manager.

- j. **Facilities and Equipment.**—Reclamation will provide Associations with suitable sales areas and other facilities to conduct business. Reclamation reserves the right to relocate or withdraw any such facilities (upon reasonable notice) to meet the needs of Reclamation.

Reclamation will reserve the right to conduct inspections of provided facilities whenever it deems necessary.

Reclamation will provide Associations with routine maintenance and repair services and utilities such as water, electricity, heat, and air conditioning at each assigned facility to the extent these services and utilities are required for the operation of the building for Government purposes. Other maintenance and repair services and utilities will be provided by the Association or provided to the Association by Reclamation on a reimbursable basis.

Reclamation and the Association will negotiate a Maintenance and Operations Plan for those facilities governed by a supplemental agreement.

All Association plans for construction, redesign, or renovation of Reclamation facilities must be approved before implementation and must be implemented in accordance with Reclamation's normal design and construction procedures.

If Associations construct buildings on Reclamation property, the building's ownership and title will reside with Reclamation. No compensation will be paid by Reclamation for these capital improvements.

When Reclamation designs and constructs new facilities that will house Association activities, the Association will be included in the planning and design and will be given the opportunity to review and comment on preliminary and final design plans.



k. **Postage.**—Associations may not use Government postage.

l. **Administrative Requirements.**—

(1) **Annual Financial Reports (AFR).**—Annual financial reports are required, and Associations will use the AFR format provided by Reclamation.

m. **Insurance.**—Each Association must carry adequate liability insurance with a minimum of \$100,000.00 protection unless more is prescribed by Reclamation. In addition, the United States of America will be named as an additional insured party on all such policies, and a Certificate of Endorsement is required.

n. **Donations to Associations.**—Donations, if any, will be governed by Reclamation authority.

Associations will accept donations only for the purposes described in their articles of incorporation and approved by Reclamation.

When an Association accepts a donation on behalf of Reclamation, the Association is accountable to the donor for the use of the funds.

o. **Donations from Associations.**—The authority to accept donations must be determined jointly by the Association and Reclamation based on the extent of the Association's activities and the needs of Reclamation.

Reclamation managers will not accept donations from Associations to fund any Government personnel salaries or benefits.

p. **Fundraising by Cooperating Associations.**—Fundraising by Associations must be approved by Reclamation.

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# CHAPTER 20 – COMMERCIAL FILMING AND PHOTOGRAPHY

## A. INTRODUCTION

These guidelines are designed to provide consistency for the Bureau of Reclamation (Reclamation) and to set forth the requirements and procedures applicable to permitting commercial filming and photography on Reclamation lands. Special circumstances specific to individual areas will require additional conditions aimed at preventing the derogation of area resources, values, and interruption of general public use.

Public Law 106-206 may be applicable and should be on file for review when authorizing commercial filming. See Appendix A to this chapter.

It is the policy of Reclamation to allow commercial filming and photography when it is consistent with the protection and public enjoyment of area resources. Reclamation encourages commercial filming when it assists the agency in fulfilling its mission. Reclamation has the authority and responsibility to manage, permit, or deny commercial filming projects consistent with the following principles:

- Natural, cultural, wilderness, and recreational resources will be protected.
- Activity will not unduly conflict with the public's normal use, security, and enjoyment of the area.
- Visitors using cameras or recording devices for their own noncommercial personal use are generally **exempt** from commercial film permit requirements.
- Coverage of breaking news **never** requires a permit, but is subject to the imposition of restrictions and conditions necessary to secure the area, to protect the area resources and public health and safety, and to prevent derogation of any area values.

The special use permit or similar document is the instrument used to authorize commercial filming or photography. The area manager shall determine when a permit for commercial filming or photography will be required and what costs, if any, must be recovered. During certain times (e.g., periods of peak visitation, security alerts, or high fire danger), the area manager may deny any or all requests for special use activities, including commercial filming. If commercial filming activities are inherent in an event or use for which a special use permit has been or will be issued, conditions and permission for commercial filming may be included in that special use permit.

All projects will be reviewed to ensure protection of the area's resources and values and to prevent adverse impacts on neighboring communities and non-Reclamation interests. The permit process provides the area manager and the applicant an opportunity to discuss the proposed project and to establish reasonable conditions to protect Reclamation interests. If the impacts of the project can be mitigated to the satisfaction of the area

manager, a project request may be approved, but only by Reclamation permit. **Area managers shall not sign any releases supplied by applicants.** Reclamation cannot control commercial filming or photography projects occurring outside the Federal estate areas even though they may include a simulation of Federal estate features, uniforms, or other equipment.

Documentation of the application and permit review process serves as the administrative record and should include the reasoning behind permit restrictions and any waivers of restrictions.

## **B. MEDIA CONSIDERATIONS**

### **1. First Amendment Rights, Permits, and Cost Recovery**

Some commercial filming projects are conducted with ongoing first amendment demonstrations. The fact that a permit may be required for commercial filming does not mean that the Government may censor or control the content of a film. Just as is true for any other type of area use, the potential for resource damage or, in some cases, the proposed actions of a group that might pose health and safety concerns both to itself and visitors, may trigger the requirement of a permit.

### **2. Breaking News**

Area managers must recognize that normally the filming of news events will not require a permit. Breaking news is an event that cannot be covered at any other time or location. Coverage of breaking news will not require a permit if no advertising, set, props, or models are used and there is no security risk, derogation of area values, or disruption to area visitation. It is, however, subject to restrictions and conditions necessary to protect the area resources and public health and safety and to prevent derogation of the area resources and values.

### **3. Other Media Coverage and Fee Waivers**

In some instances, Reclamation may see significant benefits from the production of “human interest” or “travelogue” segments filmed on Reclamation lands. These benefits may include educational information on area programs, public awareness of Reclamation-specific problems, and constituency building, which could aid in accomplishing the mission of Reclamation. The cost of otherwise reaching such a large audience is often prohibitive, and the benefit of such media exposure often exceeds the direct cost to the area in permitting or monitoring the production. With this in mind, the area manager may reduce or waive fees for projects that provide benefits to Reclamation.

## C. PROCEDURES

### 1. Resource Protection

The area manager will always give priority to attaining Reclamation management, security, and resource protection objectives to include the full range of resources within the area. Permit requests involving unmitigatable threats to the resources shall be denied.

- a. **Natural Resources.**—Reclamation defines natural resources as plants, animals, water, air, soils, topographic features, geologic features, paleontologic resources, and aesthetic values, such as scenic vistas, natural quiet, and clear night skies. The primary managerial concern is to prevent loss or degradation of these resources.
- b. **Cultural Resources.**—Cultural resources are, with few exceptions, nonrenewable. Once their historic or cultural fabric is compromised, their authenticity cannot be replaced. The primary managerial concern of commercial filming or photographing of any artifact or cultural material is to prevent loss or degradation of the resource. Managers must recognize the need for project evaluation by subject matter experts (e.g., archeologists).
- c. **Community and Ecosystem Resources.**—When evaluating projects, area managers may take measures that would prevent adverse impacts on the surrounding communities and resources. The area manager is encouraged to discuss the proposed project with the surrounding affected parties. These discussions should include, but are not limited to, resource protection issues, noise, economic impacts, other scheduled activities, pedestrian and vehicle access, traffic flows, and availability of visitor parking.

### 2. Visitor Experience

Commercial filming activities will not unduly interfere or conflict with visitors' normal use and enjoyment of the Federal estate. To evaluate potential effects on visitors, area managers will examine each request to film or photograph. Public health and safety issues must be identified and resolved. When evaluating a request, the area manager must make the following determinations:

- Will the requested activities have a detrimental effect on the visitor experience or security?
- Will the requested activity necessitate closing a portion of the Federal estate to visitors for the duration of the permitted activities? Is there an alternative location or time?

- Will other areas of the Federal estate remaining available to visitors provide comparable experiences?
- Can the requested activities be scheduled when visitors are not normally present?

If impacts on visitor use can be mitigated to the satisfaction of the area manager, a project may be permitted. During peak visitor use times, the area manager may deny all requests for special use permits, including commercial filming permits.

### 3. **Area-Specific Guidelines and Procedures**

Area managers shall use these guidelines as a basis for developing procedures specific to their areas. This ensures an efficient and consistent response to all permit applicants. The area-specific procedures must consider:

- Concessionaire contract rights and obligations.
- All area-specific plans including, but not limited to, the Resource Management Plan, Natural Resources Management Plan, Commercial Services Plan, and other plans.
- Visitor use patterns identifying times, seasons, and areas and associated carrying capacities.
- Site-specific conditions for different sites or portions of the Federal estate.

### 4. **Recovery of Cost**

Reclamation has the authority to recover all costs of providing necessary services associated with filming activities. Recovered costs are considered incidental revenues and must be credited accordingly. (See Reclamation Revenues Management Reference Manual for crediting procedures.)

### 5. **The Permit Process**

The permit process provides the area manager an opportunity to discuss the proposed project with the photographer or filmmaker and also serves as an administrative record. Depending on the complexity of the project, this can be a simple or multistage process.

- a. **Preapplication Activity.**—Managers of the area should prepare a short summary of the area-specific guidelines as a preliminary communication with permit applicants to facilitate their understanding of the permit

process. Prospective applicants should be advised of permitting requirements, anticipated length of project review, and overall timeframe. The applicant will be informed that the proposed project will be evaluated to determine the effects on the area resources, staff, and public use. Public health and safety issues must be identified and resolved. Area staff should consult with the appropriate regional office for assistance with projects involving unusual problems or circumstances.

- b. **The Application.**—The applicant is required to fill out the special use permit application form and to provide any further information needed by Reclamation to evaluate requests for commercial filming or still photography activities. The completed form will be submitted to the area manager with the appropriate fees, if any. Applications may be requested in person or by telephone, fax, E-mail, or letter. No application will be accepted or deemed complete without all information and the application charge.
- c. **Application Review.**—The application review and evaluation process takes time and will vary depending on many factors. The following should be considered by the area manager to aid in the review and evaluation process:
- At a minimum, for simple projects, the application should be received by the area manager’s office at least 20 working days in advance of any project. More time may be required depending on the complexity of the project and the availability of personnel. Some requests will require several weeks or more to allow for adequate review of the proposal.
  - The area manager will advise the applicant of the anticipated timeframe for the review process, particularly for complex projects.
  - During the evaluation process, the area manager must ensure an open and on-going dialogue with the applicant. This provides an opportunity to obtain additional information about the nature and extent of the proposed project. It is also essential that the conditions governing the commercial filming activities and the reasons for them are explained.
  - If commercial filming activities are inherent in an event or activity for which a special use permit has been or will be issued, conditions and permission for commercial filming may be included in that special use permit.

## 6. The Area Manager is the Authorizing Official

- a. **Rejection or Denial.**—Any one of the following criteria may justify the rejection of a permit application:
- (1) **Security.**—Reclamation determines that the activity might compromise security.
  - (2) **Resource Damage.**—Damage to a resource is anticipated and such damage cannot be mitigated to the satisfaction of the area manager.
  - (3) **Disruption of Visitor Use or Normal Area Operations.**—The area manager determines that a proposed project will conflict with the public’s normal use of the Federal estate or with normal area operations and a resolution cannot be negotiated to minimize the impact.
  - (4) **Closed Areas.**—The applicant requests access to areas closed to the public or requests permission to conduct activities not allowed, except under the following conditions:
    - It is beneficial to Reclamation to increase public awareness or understanding.
    - The area manager recognizes that there are additional factors that may be beneficial to Reclamation.
    - There are other mitigating factors that would not cause resource damage or endanger public safety.
  - (5) **Supervisory Requirements.**—The project would place unreasonable burdens on the area staff. The rejection may occur regardless of the permit applicant’s willingness to pay for administrative or overtime expenses associated with supervision. However, the area manager may consider bringing in employees from other Reclamation offices.
  - (6) **Illegal Portrayals.**—The project depicts activities that are not permitted within a recognized Federal estate area (e.g., defacing a building, etc.).
  - (7) **Inability to Obtain Insurance or Bonding.**—The applicant is unable to obtain the necessary bond or insurance certification.
  - (8) **Failure to Agree to Pay Assessed Cost Recovery.**—The applicant is unwilling to agree to pay the estimated cost recovery.



If an application is rejected, the applicant will be informed in writing. The letter must include the grounds for rejection. If substantial staff resources were expended in the evaluation of the request, the applicant may be billed for the staff costs.

- b. **Permit Considerations.**—There are a number of possible conditions that could be modified to address specific area needs and included in a permit. The permit shall contain conditions or restrictions relating to such factors as:
- Security.
  - Weather or seasonal limitations.
  - Visitation levels.
  - Fire prevention requirements.
  - Special circumstances (e.g., the use of vehicles, stunts, special effects, or Government work areas).
  - Access to the area facilities, structures, and resources.
- c. **Safety Considerations.**—Depending on the nature of a project and the potential hazards associated with it, the area manager may require the permittee to have on-site medical, water safety, or fire personnel. Any safety plan required by Federal, State, or local law will be submitted to the area manager before the approval of a permit and will become a condition of the permit. Inspections, licensing, or monitoring required by Federal, State, or local statutes must be adhered to by the permittee.
- d. **Reclamation Supervision and Costs.**—Commercial filming activities will be monitored by a qualified Reclamation employee to ensure full compliance with all the terms and conditions of the permit. Reclamation staff will monitor all aspects of commercial filming at levels based on company size and project scope. When a project involves a substantial number of people and a large amount of equipment, supervision will be onsite and continual.

The area manager or a representative may spot check during commercial filming to ensure compliance when the operations involve only a few people or a minimal amount of equipment or take place in areas where there is little, if any, possibility of resource impact, inconvenience to visitors, or violation of permit conditions. The area manager may consider bringing in other Reclamation employees to assist in those instances when the scope of the project exceeds the area's ability to properly manage the activity. The resulting staff costs (e.g., salary, overtime, backfill, travel, and per diem) will be recovered from the permittee.

e. **Preactivity Meeting.**—After the approval of an application and before the activity begins, the permittee (including, but not limited to, the producer, the director, and the location or production manager) will meet with the area manager or a designate to:

- Review the final terms and conditions, scheduling, and any special instructions pertaining to the respective project.
- Complete an on-site visit, if necessary.
- Provide an original certificate of insurance and, if required, a bond.
- Pay estimated costs, if required.
- Sign and obtain a copy of the special use permit.

The necessity of this meeting will be at the discretion of the area manager, based, in part, on the scope of the project.

The meeting for a small project that has minimal potential for impact on the area may occur over the telephone. The area manager may also determine those situations in which faxed signature pages will be acceptable, with the understanding that the “original” signed page is forthcoming by the most expedient method.

f. **Delays and Schedule Changes.**—Reclamation recognizes that commercial filming is subject to many changes and influenced by many factors, including creative processes, weather, budget overruns, and the availability of personnel and props.

After the permit has been approved, minor changes in the permitted activity may be made by means of an amendment or with on-site Reclamation monitor approval. Major changes may require the issuance of a new permit. If additional costs are incurred due to such changes, the permittee will be billed to cover all costs.

Permit activities suspended for reasons beyond the permittee’s control may, by agreement with Reclamation, be rescheduled for a later date.

g. **Suspension and Revocation.**—Definitions:

*Suspension* refers to an action by the area manager or a designate to halt permitted activities due to violation of a permit condition. The privileges may be reinstated upon correction of the problem.

**Revocation** refers to an action by the area manager to end the permitted activities because of noncompliance with any of the prescribed terms or conditions.

If resource damage occurs or is imminent, all commercial filming activities will be stopped immediately. Violation of any of the permit conditions will result in suspension or revocation.

Reclamation personnel assigned to work with permittees should be proactive. Any conditions or activities which, if not corrected, could lead to violation of the permit must be brought to the attention of the permittee.

The area manager should be prepared to take recourse if deliberate infractions occur. In such a case, the permit will be suspended and the area manager, if anticipating legal action, may inform the regional director. The permit may be revoked and legal action is possible if the area manager determines that a permittee made deliberately false or misleading statements concerning intended actions to obtain a permit.

- h. **Reclamation Personnel Working for Permittee.**—There is a potential for conflict of interest when Reclamation employees are invited to work directly for commercial filming companies. Off-duty employment requests must be approved by the area manager.

Personnel engaged in official supervision, negotiation, or permit approval are not permitted to engage in off-duty employment. Other employees may work, off duty and not in uniform, for a film company only if they do not perform or appear to be performing official duties for the permittee.

- i. **On-Camera Appearance by Employees.**—On-camera appearances by employees are allowed under the following conditions:
- The employee is selected or approved by area management and is depicted performing his or her normal duties or serving as a subject matter expert.
  - The employee's appearance supports Reclamation goals and has a beneficial effect for Reclamation.
  - The role is not scripted.
  - The employee is paid by Reclamation as part of his or her regular working hours.
  - The permittee will reimburse Reclamation for this cost as part of monitoring cost recovery.

- If the commercial filming requires overtime or back-filling of positions, Reclamation will be reimbursed for any such additional costs through the permitting process.
- j. **Gratuities.**—The Standards of Ethical Conduct for Employees apply. Generally, employees are forbidden from accepting gratuities from prohibited sources, such as permittees. However, there are exceptions that allow employees to accept modest items of food and refreshment.
- k. **Meals/Provisions.**—Reclamation recognizes that the workday for a film production company typically lasts longer than 8 hours. Reclamation employees assigned to monitor permit activities must be prepared to sustain themselves over the entire timespan. The area manager may, on a case-by-case basis, grant the employee permission to accept provisions from the permittee.
  - If the permittee offers meals, the area manager may authorize the employee to accept the food provided.

## 7. Insurance and Liability

- a. **Waiver of Insurance.**—The area manager has the authority to waive the insurance requirement if there is no perceived risk of injury or damage to persons or property resulting from the activity unless there is an absolute certainty such waiver should not occur.
- b. **Purpose of Insurance.**—General commercial liability insurance will help protect the Government from judgments connected with injury or damage resulting from the actions or inactions of the permittee or its agents, contractors, or employees. Reclamation may require additional insurance for certain high-hazard situations. The policy must contain the following elements:
  - (1) Risk of loss.—The permittee assumes all risk of loss of its property.
  - (2) Damage to Government property.—The permittee has a duty to protect from injury and damage the land, property, resources, historic features, and other interests of the Government. The permittee will compensate, in full, the Government for damages resulting from activities in conjunction with a permit. Compensation will include restoration, cleanup, all needed repair, and all administrative costs.

Invaluable historic objects or historic facilities deemed nonrestorable shall not be placed at risk. In those rare instances when use is permitted, proper safeguards and mitigation shall be required and plainly stated in the conditions of the permit.

- (3) Indemnification and liability of the Government.—The permittee will comply with all applicable Federal, State, and local laws and regulations, as well as all permit conditions. In addition, the permittee will indemnify, defend, and hold the U.S. Government harmless for any violations incurred under any such laws and regulations or for any costs, damages, claims, liabilities, or judgments arising from acts or omissions of the permittee in connection with the use or occupancy provided by a permit.

- c. **Evidence of Insurance.**—Photographers and video or film production companies that are required by permit to provide proof of insurance must carry general commercial liability insurance issued by a United States company. The insurance certificate must identify the production company by name and business address. If the permittee uses a different company name, the relationship between the named insured company and the permittee’s company must be clearly identified.

The “United States Government” will be named as additional insured on the insurance certificate. If further specificity is desired or requested, “the Department of the Interior, Bureau of Reclamation, (the area name)” may be added. The area name and address should be used as the local contact. Certificates naming the U.S. Government as “certificate holder” only are not acceptable.

Personal or homeowners liability insurance is not acceptable. Generally, insurance companies will not extend personal or homeowner liability insurance to additionally insure the Federal Government. The permittee must obtain a policy as described above. Failure to provide proof of proper insurance is reason for denial of the permit.

- d. **Establishing the Amount of Insurance.**—When establishing the monetary amount of required insurance, the area manager should consider the risk to the area resources, the complexity of the activities, the number of people involved, the type of equipment and number of vehicles, the magnitude of support and catering services, the number of days of shooting and preparation and cleanup, and any other relevant circumstances.

Insurance amounts can vary from several thousand dollars up to several million dollars. Generally, Reclamation will accept the following:

- Personal liability minimum of \$300,000.
- Minimum commercial liability (for still photography or for small film or video projects of fewer than 15 people) of \$500,000.
- General commercial liability for video or film production companies of \$1,000,000.
- When the concession uses boats, personal watercraft, scuba diving, hang-gliders, parachutes, rock-climbing, bungees, skis, parasails, vehicles, wild animals, or aircraft or employs stunts or other higher risk activities, the range is from \$2 million to \$5 million or more.

## 8. Performance Bond Requirement

- a. **Purpose of the Bond.**—The purpose of the bond is to ensure that the resource is left in as good condition as it was before the commercial filming and to cover restoration costs. Generally, bonds will be required in amounts at least equal to the estimated cost to the Government for cleanup or restoration that would be necessary if the permittee failed to meet Reclamation permit conditions. A performance bond may come in various forms (e.g., a cashiers check, certified check, irrevocable terms of credit, or similar negotiable instruments), paid for by the permittee or production company to cover resource damage resulting from the activities of the permittee.

The bonding instrument must provide the area manager with immediate access to the funds when needed. A bond may be used to recover Reclamation costs (administrative and monitoring or management) only if the area manager specifies it as a condition of the permit. The area manager may set the bond requirement at zero if the activities permitted will not require cleanup or restoration. A bond is never to be used as a penalty.

Personal or corporate checks may be acceptable in some circumstances.

- b. **Use of the Bond.**—Those bond amounts, paid in advance, should be deposited into the designated area account upon receipt. Should the permittee fail to perform any part of the necessary cleanup or restoration or fail to reimburse Reclamation for costs associated with the permit, the account will be used to make any payments necessary. Any remaining balance will be returned to the permittee. If the bond is insufficient to cover costs, the permittee will be issued a bill for collection for the amount

of the deficit. Bonds must be handled appropriately and accounted for at all times. Funds from bonds, including letters of credit, shall be withdrawn only in the amount owed to Reclamation.

## 9. Reclamation Participation in Commercial Filming or Photography Activities

- a. **Projects Occurring Outside Reclamation Jurisdiction.**—This section applies to projects occurring outside Reclamation jurisdiction, without Reclamation funding, over which Reclamation has no control. These may portray Reclamation programs, policies, resources, persons, events, or topics relevant to the educational mission of Reclamation. Such films may be documentaries, docu-dramas, or feature-length films. It is sometimes in the best interest of Reclamation to offer technical assistance to the producer to ensure that Reclamation, its resources, or other matters of importance to Reclamation’s mission are accurately portrayed or represented.

Since this assistance would be provided on a mutually agreeable basis, and since Reclamation suggestions would not be binding on the producer, there would be no issue of censorship. Depending on the complexity of the arrangement, a letter of agreement would be appropriate. When Reclamation provides assistance of this nature, a clear understanding must be reached with the production company as to whether, and in what way, Reclamation’s role will be acknowledged in the film.

While reimbursement of Reclamation costs is desirable in these situations, the producer is not obligated to provide reimbursement unless the commercial filming will take place on Reclamation lands and a permit is required. If the producer will not provide reimbursement, Reclamation must determine if the prospect of unreimbursed costs is outweighed by the value to Reclamation of providing more accurate information to the viewing audience.

- b. **Projects in which Reclamation has Direct or Indirect Involvement or Control.**—Reclamation may produce films to aid in accomplishing its mission. Productions that are partially funded, directly or indirectly, by Reclamation must be accomplished through a contract or an agreement. The use of a contract is appropriate when the film will simply be a product developed to Reclamation specifications, using either appropriated or donated funds. The use of an agreement is appropriate when the production is funded and controlled, at least partially, by some other entity with whom Reclamation is collaborating.

Films produced under contract or an agreement are generally limited to documentary or instructional films. They must be approved by

Reclamation and, in most cases, must be coordinated at the earliest stages with the area manager. Contracts or agreements for commercial filming must contain provisions which address the following matters:

- Reclamation personnel assigned to assist the filmmaker.
- Use of Reclamation equipment by the filmmaker.
- Use of Reclamation signage by the filmmaker.
- Ownership of the finished product and raw material.
- Purchase of prints by Reclamation.
- Control of future distribution or editing of the film.
- Termination for default and/or convenience.
- Performance bonds and general liability insurance.
- A clause to eliminate possible liability of the United States Government arising from the commercial filming activity.

## 10. Credit Lines

- a. **Credit Line Prohibition.**—A credit line is specifically prohibited in instances involving product or commercial advertisement, in films promoting an industry, and in films designed to influence congressional initiatives.
- b. **Optional Credit Line.**—The area manager may request a credit line in films produced in whole or in part on Reclamation lands unless the subject matter is such that a credit line is not desirable. A producer's willingness to give a credit line will not be a consideration when granting a permit.
- c. **Format of Credit Line.**—The suggested format for a credit line is:

**(Name of the area)**

U.S. Department of the Interior  
Bureau of Reclamation

## 11. Government Property and Symbols

- a. **Government Property.**—Government property, including a uniform, will not be used, loaned, or rented to a film company or diverted from its normal use for commercial filming purposes except as stated below.



(See 43 C.F.R. 20.) Rental of Reclamation equipment on a reimbursable basis is authorized only to persons who “render services or perform functions that facilitate or supplement activities of the Department.”

- b. **Government Symbols.**—Use of Reclamation signage in titles, credits, or other deliberate disclosures requires the permission of a Reclamation regional director.

Incidental commercial filming of the symbol, which may include the shoulder patch of a uniformed employee, a Reclamation vehicle, or an entrance or similar sign, is not prohibited.

## 12. High-Risk Activities and Special Effects

Commercial filming projects sometimes include proposals for stunts or special effects. Reclamation must thoroughly evaluate these requests for their potential impact.

- a. **High-Risk Activities.**—Any commercial filming project that involves high-risk activities (e.g., performance driving, skydiving, scuba diving, boating, personal watercraft, skiing or waterskiing, horseback riding, stunt flying, hang-gliding, parasailing, rock climbing, ballooning, and bungee jumping) will undergo thorough review to determine its proximity to significant resources or its potential for conflict with existing regulations.

Stunts are high-risk activities that are performed by specialists trained to accommodate the risk.

The safety of the performer or team is the permittee’s responsibility.

Technical necessities for safe completion of the stunt(s) must be explored in detail during the application evaluation process.

Safety measures protecting the crew, visitors, and area resources must be thoroughly reviewed by Reclamation, the permittee, and the stunt coordinator during permit negotiations and again onsite before any preparations for the stunt can begin.

- b. **Special Effects.**—Special effects can be visual, mechanical, or pyrotechnic. Evaluation of requests for special effects will necessitate a review of all relevant regulations, directives, and policies as well as applicable regulations or licensing requirements of other agencies on Federal, State, and local levels.

Visual special effects are created in editing using matte shots or paintings to create a background picture, blue, or green screens to allow an actor in a

shot to be placed against a different background or computer-generated images. Normally, they do not impact commercial filming or photography on Reclamation property.

Mechanical special effects include the use of wind machines; smoke-making devices or compounds; simulated rain, snow, or fog; or breakaway “glass,” wood, or other material. Use of mechanical special effects such as smoke, wind machines, or simulated rain or snow must be evaluated for the types of materials to be used, chemical content, the potential for residue, hazards connected with introduction of the material into the environment or water sources, and the methods of removal or cleanup.

Pyrotechnic special effects include any devices that are ignited. These include, but are not limited to, the discharge of blank cartridges, black powder, squibs, sparks, open flames, bullet hits, propane fire rings, aerial fireworks, artillery fire, explosions, mortars, and fireballs.

Some States license individuals for the handling of certain materials, and in some areas, daily permits are required for the use of air-polluting materials or pyrotechnic special effects.

### 13. Aircraft/Airspace

- a. **Authority.**—Although Reclamation does not regulate the airspace above Federal estate areas, Reclamation does have the authority to control the landing of aircraft, airborne delivery, excessive noise, and activities on the Federal estate that are filmed or photographed from the air.
- b. **Federal Aviation Administration (FAA), Office of Aircraft Services (OAS), and Reclamation Guidelines.**—All aviation activities will be performed in accordance with applicable FAA regulations, Department of the Interior policies, and other Reclamation guidelines.

The FAA Advisory Circular (91-36C) encourages aircraft to maintain a minimum altitude of 2,000 feet above the highest landform. This will reduce any potential interference or impact on wildlife, visitor uses, sensitive natural or archeological sites, or recreation use from low-flying aircraft.

The OAS also has established responsibilities, policies, and procedures for the overall management of aviation matters when Government employees are involved.

Should an infraction of FAA regulations regarding safety or the protection of people or property on the ground occur, record all pertinent information on the incident, including the aircraft identification number. Immediately report the incident to the local FAA Flight Standards District Office.

- c. **General Conditions.**—The use of aircraft over Reclamation areas for commercial filming projects is generally considered undesirable. Any request for aircraft use will be carefully evaluated to determine the kinds of impacts from the proposed use. Security issues must be fully analyzed.

An aircraft use request that has clear potential for the disturbance of wildlife or the visitor experience or the derogation of Federal estate resources will be denied.

The landing of fixed-wing aircraft is prohibited unless authorized under general or area-specific statute. Helicopter landings are restricted to designated heli-spots.

#### **D. UNAUTHORIZED COMMERCIAL FILMING**

Some filmmakers or photographers may be unaware that certain commercial filming activities require a permit, cost recovery, insurance certificate, or performance bond. When the area manager or an area office staff member becomes aware that commercial filming activities that would normally require a permit are being conducted without a permit, he or she will contact the individual or group, explain the requirements necessary to comply with regulations, and resolve the issue as soon as possible. A commercial photographer or filmmaker who fails to obtain a required permit may be subject to arrest.

# APPENDIX A – PUBLIC LAW 106-206

114 STAT. 314

PUBLIC LAW 106–206—MAY 26, 2000

## Public Law 106–206 106th Congress

### An Act

May 26, 2000  
[H.R. 154]

To allow the Secretary of the Interior and the Secretary of Agriculture to establish a fee system for commercial filming activities on Federal land, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

16 USC 460l–6d.

#### **SECTION 1. COMMERCIAL FILMING.**

(a) **COMMERCIAL FILMING FEE.**—The Secretary of the Interior and the Secretary of Agriculture (hereafter individually referred to as the “Secretary” with respect to lands under their respective jurisdiction) shall require a permit and shall establish a reasonable fee for commercial filming activities or similar projects on Federal lands administered by the Secretary. Such fee shall provide a fair return to the United States and shall be based upon the following criteria:

(1) The number of days the filming activity or similar project takes place on Federal land under the Secretary’s jurisdiction.

(2) The size of the film crew present on Federal land under the Secretary’s jurisdiction.

(3) The amount and type of equipment present.

The Secretary may include other factors in determining an appropriate fee as the Secretary deems necessary.

(b) **RECOVERY OF COSTS.**—The Secretary shall also collect any costs incurred as a result of filming activities or similar project, including but not limited to administrative and personnel costs. All costs recovered shall be in addition to the fee assessed in subsection (a).

(c) **STILL PHOTOGRAPHY.**—(1) Except as provided in paragraph (2), the Secretary shall not require a permit nor assess a fee for still photography on lands administered by the Secretary if such photography takes place where members of the public are generally allowed. The Secretary may require a permit, fee, or both, if such photography takes place at other locations where members of the public are generally not allowed, or where additional administrative costs are likely.

(2) The Secretary shall require and shall establish a reasonable fee for still photography that uses models or props which are not a part of the site’s natural or cultural resources or administrative facilities.

(d) **PROTECTION OF RESOURCES.**—The Secretary shall not permit any filming, still photography or other related activity if the Secretary determines—

(1) there is a likelihood of resource damage;

(2) there would be an unreasonable disruption of the public's use and enjoyment of the site; or

(3) that the activity poses health or safety risks to the public.

(e) USE OF PROCEEDS.—(1) All fees collected under this Act shall be available for expenditure by the Secretary, without further appropriation, in accordance with the formula and purposes established for the Recreational Fee Demonstration Program (Public Law 104-134). All fees collected shall remain available until expended.

(2) All costs recovered under this Act shall be available for expenditure by the Secretary, without further appropriation, at the site where collected. All costs recovered shall remain available until expended.

(f) PROCESSING OF PERMIT APPLICATIONS.—The Secretary shall establish a process to ensure that permit applicants for commercial filming, still photography, or other activity are responded to in a timely manner.

Approved May 26, 2000.

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LEGISLATIVE HISTORY—H.R. 154:

HOUSE REPORTS: No. 106-75 (Comm. on Resources).

SENATE REPORTS: No. 106-67 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD:

Vol. 145 (1999): Apr. 12, considered and passed House.

Nov. 19, considered and passed Senate, amended.

Vol. 146 (2000): May 22, House concurred in Senate amendments.



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(Area Name)

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# CHAPTER 21 – PROHIBITION OF TIME SHARING

## A. DEFINITION

A time-sharing agreement provides for the use of a specific facility or type of facility during a specific time period for a number of future years. Since the fee title to real property on Government land rests with the Government, commercial time-sharing agreements that convey ownership (fee simple) of real property are not valid for Bureau of Reclamation (Reclamation) lands. Commercial-type time-sharing agreements that grant a periodic occupancy right may be legal, but violate Reclamation Manual Directives and Standards and Concessions Management Policy regarding exclusive use of the Federal estate by the public.

## B. PROHIBITION OF TIME SHARING

Any type of time sharing designed to provide ownership or periodic occupancy or use of any accommodation or facility for multiple years is prohibited. Existing official agreements, if any, of this nature may be continued for the established period but cannot be renewed or extended. No new agreements will be issued. Renewable agreements for services, such as boat slip rentals and long-term trailer space rentals for continuous occupancy, are not considered time sharing and are not subject to these provisions.

## C. COMMERCIAL OPERATIONS OUTSIDE CONCESSION AUTHORIZATIONS

### 1. General

There have been instances of private parties advertising in public media the sale, rental, or leasing (including intermittent ownership or use) of houseboats to be moored and used within a Reclamation area. These are commercial activities and may violate the right of existing concessionaires.

On the other hand, it is a legitimate use of the Reclamation area for a group of people to band together to purchase or lease property and to share its use among themselves. It is also a legitimate use if a business firm keeps property in the Reclamation area for the recreational use of its employees or associates. These activities fall within the prohibited category only when there is rental of use time to third parties.

## **2. Rental Agreement Precluding Violations**

With the approval of the area manager, concessionaires may include in their slip or moorage rental agreement requirements designed to detect violation of their preferential rights. If violations are detected, the concessionaire may terminate the agreement, subject to the renter's right to appeal to the area manager, whose decision shall be final.



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## **CHAPTER 22 – UTILITIES**

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## CHAPTER 22 – UTILITIES

If utilities are furnished by the Bureau of Reclamation (Reclamation), they will be on a reimbursable basis for all types of utility services to concessionaires, contractors, permittees, or other users of such services within the Reclamation system. Reimbursement for the cost of such utility services may be credited to the appropriate account at the time reimbursements are received.

Reclamation's policy on charging users for Reclamation-produced utilities is to charge rates based on operating costs or comparability, whichever is greater. Concessionaires will be permitted to pass through costs exceeding utility comparability.

Reclamation may adjust charges (no lower than comparability) when operating costs are extraordinarily high and cannot practically be passed through in total to the visitor through price increases (i.e., allow adjustments to rates where passing through the excess of operating costs over comparability would jeopardize the economic viability of the concessionaire).

Because utility rates are to be based on actual operating costs or comparability, whichever is greater, rates must be calculated by both methods and the results kept current.

If it is determined that utility charges are greater using the operating cost method than using the comparability method, concessionaires will be allowed to increase the prices they charge visitors for goods and services. The increase will allow concessionaires to recover those costs that exceed comparable utility costs by passing such excess costs directly to the actual users—the visitors.

### **A. UTILITY CHARGE EXCEPTION**

A utility charge exception may be applied when the utility cost add-on is so high that consumer resistance begins to occur. At this point, higher item prices are offset by a reduction in the number of items sold. The visitor suffers excessive prices, and the concessionaire suffers lost current sales and lost repeat business. There is no hard and fast rule as to when resistance might begin; there will be differences according to the types of goods and services involved, the type of clientele, and the part of the country. The sales mix of the concessionaire will greatly affect the flexibility with which increases can be applied.

The utility charge exception procedure may be used when charging actual costs for utility services would create an unreasonable financial burden on the concessionaire.

This scenario should be authorized only when the particular concession(s) involved has been determined by Reclamation to be providing a necessary service to the public (e.g., providing basic food and beverage, marina operations, and camping or recreational vehicle areas). Long-term trailer village and houseboat rentals would not apply nor would other activities not directly involved with providing necessary support services or services that are judged acceptable but not necessary.

Authority to approve reduction of utility charges on the basis of a utility charge exception is reserved to the area manager.

1. The following guidelines will apply:
  - a. As a general rule, price increases of 15 percent or less should not create a significant economic hardship.
  - b. Add-ons must be spread over as wide a range of goods or services as possible, thus reducing the per-item increase. It is not acceptable to concentrate price increases in a narrow range of items to produce an artificial need for the utility charge exception.
  - c. Items on which the manufacturer has printed a suggested resale price are not amenable to sale above that price.
  - d. Low-profit, high-dollar volume merchandise, such as gasoline, is not amenable to large increases.
  - e. Merchandise prices approved under a Competitive Market Declaration should not be subject to an add-on for utility rates.
  - f. Price increases based on utility charges, which occur about the same time as increases based on “normal” market comparability, may have a combined effect, which creates consumer resistance. In such circumstances, it may be prudent to limit the combined increase to 20 percent at one time and phase the remaining portion of the utility charge increase.