

# Reclamation Manual

## Directives and Standards

<b>Subject:</b>	Concessions Management by the Bureau of Reclamation <sup>1</sup>
<b>Purpose:</b>	To establish requirements for planning, development, and management of concessions contracts at Reclamation's direct managed recreation areas, for the benefit of ensuring successful visitor services opportunities on Reclamation lands and waterbodies.
<b>Authority:</b>	Reclamation Act of 1902 (43 U.S.C. 391 et seq.), as amended and supplemented; Reclamation Project Act of 1939 (43 U.S.C. 485 et seq.); Federal Water Project Recreation Act of 1965 (Pub. L. 89-72; 16 U.S.C. 460l, et seq.), as amended; Water Resources Development Act of 1974 (Pub. L. 93-251; 42 U.S.C. 1962); Reclamation Recreation Management Act of 1992 (Pub. L. 102-575, Title XXVIII; Occupancy of Cabin Sites on Public Conservation and Recreation Areas (43 CFR part 21); Public Conduct on Bureau of Reclamation Facilities, Lands, and Waterbodies (43 CFR part 423); Use of Bureau of Reclamation Land, Facilities, and Waterbodies (43 CFR part 429)
<b>Approving Official:</b>	Director, Policy and Administration
<b>Contact:</b>	Asset Management Division, 84-57000

1. **Introduction.** Reclamation's water resource projects may include concession facilities and opportunities. In instances where Reclamation provides direct management of the water-based recreation opportunities, Reclamation may seek qualified concessionaires to manage facilities, lands, and waterbodies at Reclamation projects in response to public demand and specific needs identified in resource management planning documents. Reclamation Manual (RM) Policy, *Recreation Management*, LND P04 and RM Directives and Standards (D&S), *Recreation Program Management*, LND 01-03, provide mandatory provisions for a wide variety of general recreation activities.
2. **Applicability.** This D&S applies to Reclamation's employees and concessionaires involved in the planning, development, and management of concessions on lands and waterbodies within the jurisdiction of Reclamation.
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.

<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

---

- 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. Private Exclusive Recreational or Residential Use.** Any use that involves structures or other improvements used for recreational or residential purposes to the exclusion of public uses and are not associated with the official management of a Reclamation project. This includes those uses described in 43 CFR part 429 and the uses currently defined in 43 CFR part 21. Examples of private exclusive recreational and residential use include, but are not limited to, boat docks, piers, moorings, cabin sites, residences, trailers, manufactured or mobile homes, structures, roads, and sites for such activities as hunting, fishing, camping, and picnicking that attempt to exclude general public access.
- D. Fair Market Value/Market Value.** The amount in cash or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. All government appraisals shall conform to the Uniform Standards of Professional Appraisal Practice and the Uniform Appraisal Standards of Federal Land Acquisitions, as implemented in accordance with the Department of the Interior's Appraisal Services Directorate Appraisal Policy Manual, or any succeeding standards and manuals.
- E. Federal Estate.** The Federal land and water areas under the primary jurisdiction of the Department of the Interior, Bureau of Reclamation.
- F. Fixed Assets.** Fixed assets are any structures, fixtures, or capital improvements permanently attached to the Federal estate.
- G. Gross Revenues.** The total amount received or realized by, or accruing to, the Concession Contractor 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 Revenues earned from electronic media sales, but excluding
- (1) Intra-company earnings on account of charges to other departments of the operation (such as laundry).
  - (2) Charges for employee meals, lodging, and transportation.

# Reclamation Manual

## Directives and Standards

---

- (3) Cash discounts on purchases.
  - (4) Cash discounts on sales.
  - (5) Interest on money loaned or in bank accounts.
  - (6) Income from investments.
  - (7) Income from any subsidiary companies not arising from business conducted in conjunction with this Concession Contract.
  - (8) Sale of property that was acquired for the purpose of resale and not for use under this contract.
  - (9) Sales and excise taxes that are added as separate charges to sales prices, gasoline taxes, fishing license fees, and postages stamps, provided that the amount excluded shall not exceed the amount actually due or paid Government agencies.
  - (10) All monies actually received by the Concession Contractor from coin operated devices whether provided by the Concession Contractor or by others.
  - (11) All revenues received by the Concession Contractor from charges for in-room telephone or computer access.
- H. **Improvement.** An addition to real property that increases its value or utility or that enhances its appearance.
- I. **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.
- J. **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.

# Reclamation Manual

## Directives and Standards

---

- (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. **Responsibilities.** Responsibilities for proper administration of the concessions management program shall be shared by the following:
- A. **Policy and Administration (POLICY).** Responsible for administering the concessions management program; coordinating with regional, area, and field offices concerning concessions planning efforts and contract requirements; establishing and updating concessions management RM Policy and D&Ss and guidance; reviewing and approving all concessions-related Requests for Proposal (RFPs) and all new, amended, or interim concession contracts in consultation with the Department's Office of the Solicitor; and participating in field reviews and evaluations, as requested.
  - B. **Regional Directors.** Responsible for implementing this D&S, overseeing and coordinating the direct-managed concession program, and ensuring that the area offices conduct appropriate reviews and evaluations of concession operations under their jurisdiction. Regional directors will review and transmit draft concession contracts, determine the need for RFPs, amendments, and proposed D&S deviation requests to POLICY for approval. Regional directors shall execute such contract actions following POLICY'S review and approval.
  - C. **Area Managers.** Responsible for the day-to-day management activities associated with administering the concessions management program. Area managers, or their designees, shall prepare draft concessions contracts and submit such contracts to their respective regional director and POLICY for approval and subsequent execution. Area managers, or their designees, are responsible for conducting reviews and evaluations of concession operations.
5. **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.

# Reclamation Manual

## Directives and Standards

---

### 6. 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.

- (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.

# Reclamation Manual

## Directives and Standards

---

- (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 concessions:
  - (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.

# Reclamation Manual

## Directives and Standards

---

- (6) Facilities, services, or sites considered to be new exclusive use will not be allowed and should not be considered as a part of any commercial services planning alternative.
- (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.

### 7. 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 contractual issues

# Reclamation Manual

## Directives and Standards

---

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



# Reclamation Manual

## Directives and Standards

---

- (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) **Minimum Wage Contract Clause.** All concessions contracts issued, modified, or amended after January 1, 2015, must include the Minimum Wage Contract Clause specified in Appendix A of this D&S, pursuant to Executive Order 13658, *Establishing Minimum Wage for Contractors*.<sup>2</sup>
- (7) **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

---

<sup>2</sup>Contact the Policy and Administration Directorate, Asset Management Division, for guidance related to Executive Order 13658.

# Reclamation Manual

## Directives and Standards

---

not exceed 5 years. When substantial investment is required, the 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.

- (8) **Subconcessions.** Subconcessions are not permitted.
- (9) **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.
- (10) **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.
- (11) **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.
- (12) **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.). The concessionaire is required to operate and maintain revenue generating assets essential to visitor services in a manner that extends the useful life and prevents the assets deterioration throughout the duration of the contract term.
- (13) **Preference for Renewal.** Concession contracts will not include a preference right of renewal.

# Reclamation Manual

## Directives and Standards

---

- (14) **Ownership of Fixed Assets Constructed by Concessionaires.** Ownership of title to fixed assets may be established by a concessionaire to the extent the asset is purchased from a previous concessionaire, or paid for and constructed by the concessionaire with prior approval from Reclamation. Concession contracts will specify whether fixed assets located on the Federal 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.** 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 concessionaire's remaining assets at no more than the appraised fair market value.
- (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 disposition of the newly constructed fixed assets upon expiration, termination, or sale or transfer of a concession contract, 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 at no more than the appraised fair market value.
- (15) **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.
- (16) **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.
- (17) **Total Benefits to the Government.** Reclamation will determine and recover fair compensation, including direct returns and direct and indirect benefits, for the use,

# Reclamation Manual

## Directives and Standards

---

rights, and privileges granted under a concession contract. The 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.
- (18) **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.
- (19) **Exclusive Use.** Reclamation prohibits any use that would result in new private exclusive recreational or residential use of Reclamation land, facilities, or waterbodies pursuant to 43 CFR 429.31(b). Private exclusive use that is within the terms and conditions of an existing use authorization, as specified in 43 CFR 429.32, is not considered new private exclusive use. Existing private exclusive use will be administered pursuant to 43 CFR part 429 and 43 CFR part 21, as applicable.

# Reclamation Manual

## Directives and Standards

---

- (20) **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.
- (21) **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.
- (22) **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.
- (23) **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.
- (24) **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.
- (25) **Food Sanitation.** Concessionaires' food services will comply with Federal, State, and local food handling and sanitation laws, rules, and regulations.
- (26) **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. Outdoor signs or other forms of advertising must not be displayed on the Federal estate without the approval of Reclamation.

# Reclamation Manual

## Directives and Standards

---

- (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.
- (27) **Statistical Data.** Concessionaires will furnish information as specified in Reclamation's Recreation Use Data Report on an annual basis or as otherwise requested.
- (28) **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. 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.

# Reclamation Manual

## Directives and Standards

---

- (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 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.

# Reclamation Manual

## Directives and Standards

---

### 8. 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 Commissioner'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 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>3</sup>.** Reclamation employees or family members(s) may not be owners, partners, board members,

---

<sup>3</sup>Guidance on this issue should be obtained from an ethics counselor in the servicing Reclamation Personnel/Human Resources Office.



# Reclamation Manual

## Directives and Standards

---

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.

## RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: \_\_\_\_\_

Release No. \_\_\_\_\_

Ensure all employees needing this information are provided a copy of this release.

### Reclamation Manual Release Number and Subject

### Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

### Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: \_\_\_\_\_

Date: \_\_\_\_\_