



United States Department of the Interior

NATIONAL PARK SERVICE
INTERMOUNTAIN REGION
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Denver, Colorado 80225-0287



IN REPLY REFER TO:
IMR-ACM (CC-GRCAXXX-19)

APR 03 2018

Memorandum

To: All Requesters of the Prospectus for a Concession Business Opportunity to Provide Guided Multi-Day Interpretive Whitewater River Trips within Grand Canyon National Park

From: Regional Director, Intermountain Region

Subject: Amendment 2 and Responses to Questions Regarding the Prospectus for Solicitation CC-GRCAXXX-19

This notice provides updates to the prospectus and responses to questions received for a *Concession Business Opportunity to Provide Guided Multi-Day Interpretive Whitewater River Trips within Grand Canyon National Park* for Solicitation CC-GRCAXXX-19.

Amendment 2:

- 1) Prospectus Inside Cover:
The Service extends the solicitation deadline. Proposals are now due May 4, 2018.
- 2) Business Opportunity, 2014 – 2016 Historical Revenues Chart, page 9

Delete the Gross Revenue information below that is stricken through:

Concession Contract	2014 Gross Revenue	2015 Gross Revenue	2016 Gross Revenue
CC-GRCA011-08	\$1,214,320	\$1,277,734	\$1,273,245
CC-GRCA022-08			\$1,815,804

Replace the stricken through information with:

Concession Contract	2014 Gross Revenue	2015 Gross Revenue	2016 Gross Revenue
CC-GRCA011-08	\$1,045,219	\$1,076,712	\$1,131,507
CC-GRCA022-08			\$1,715,804

- 3) Operating Plan, Sec.3)A)(5) page B-2

Delete:

- (5) The Concessioner must include all trip leaders, guides, baggage boatmen, swampers, and assistants, etc. on the Concessioner’s payroll, covered by Worker’s Compensation insurance, and covered by the Concessioner’s liability insurance. The Concessioner must not use “work-your-

ways” or un-paid adjunct service providers (such as a musician, yoga instructor, or art instructor, etc.) to provide necessary functions in lieu of paid staff.

Replace with:

- (5) The Concessioner must include all trip leaders, guides, baggage boatmen, swampers, and assistants, etc. on the Concessioner’s payroll, covered by Worker’s Compensation insurance, and covered by the Concessioner’s liability insurance. The Concessioner must not use “work-your-ways” or un-paid adjunct service providers (such as a musician, yoga instructor, or art instructor, etc.) to provide necessary functions in lieu of paid staff. The Concessioner may offer the opportunity for an instructor or volunteer to help on a trip, but must not use those un-paid persons to provide necessary functions in lieu of paid staff.
- 4) Existing Approved Rates have been added to the NPS Commercial Services Website with this Amendment 2.
- 5) The Online Launch Calendar (OLC) report from the 2017 operating season has been added to the NPS Commercial Services Website with this Amendment 2.

Responses to Questions

Below please find the National Park Service’s (NPS) responses to questions regarding the CC-GRCAXXX-19 Prospectus.

General Questions:

1. If we can show capacity to operate multiple contracts, is it possible that we can submit proposals for multiple contracts and be awarded multiple contracts? Is it possible for us to be awarded ALL of the contracts if we show the proper operating capacity and financial capability?

NPS Response

We decline to speculate as this question seems to request. The incumbent concessioners each have a right to meet the terms of a better offer, which affects the NPS options in awarding the contracts under this solicitation.

2. If we have other National Park Service concessions contracts for river rafting, will that fact help us in the process of winning a Grand Canyon contract? We understand that the current Grand Canyon rafting companies have a right of preference, but do we get any preference for operating on these other rivers in the NPS, where we have a right of preference?

NPS Response

At this time, the NPS cannot comment on how the evaluation panel will consider past experience except to direct potential offerors to Subfactor 3(a) in the Proposal Package, as well as the Proposal Instructions. With respect to a right of preference, only those entities identified in the Business Opportunity as preferred offerors have such a right under this solicitation.

3. Does a non profit entity such as the National Outdoor Leadership School or Outward Bound have any preference in bidding for this type of contract?

NPS Response

No.

4. Do minority, women-owned, or Native American-owned businesses have any preference in bidding for this type of contract?

NPS Response

No preference is given based on a potential offeror being owned by minorities, women, or Native Americans. However, it is possible that one or more of the incumbent concessioners that has a right of preference is owned by minorities, women, or Native Americans.

5. Given the shorter than normal response period for this solicitation, and the fact that should the National Park Service conclude that some or all of the information discussed or requested above should be released and made part of this prospectus, and the likely fact that by the time the Service responds in this manner, close to or even more than half of the response period will have already expired, would the Service be willing to extend the response period for this concession contract solicitation, perhaps by another thirty days, as a means of allowing all potential offerors the time necessary to receive and to properly study and analyze and additional information the Service may release?

NPS Response

We consider extending response times when conditions warrant. We believe the response time for this prospectus appropriate, and have extended the solicitation period 7-days through Amendment 1 (as provided earlier).

6. Would it be possible to extend existing contracts through 2019 as current concessioners have already set prices and collected money from guests based on current contract fees and requirements, etc.? And in the future, could the prospectus be released more in advance as these trips go on the market, often times, 2 years in advance of their departure date?

NPS Response

The NPS does not intend to extend the current contracts. Also, with current high demand for river trips, even if the Service were to extend the existing contracts through the end of 2019, operators would likely have the majority of trips booked in 2020 and partially booked into 2021, and thus, likely face the same issue if NPS were to issue the Prospectus at a later date.

7. Under the Prospectus, the Draft Contracts are to cover the period January 1, 2019 through December 31, 2018. CC-GRCAXXX-19 Draft Contract. The cover to the Draft Contract,

however, also includes a footnote explaining that: “The effective date of the Contract is subject to change prior to contract award if determined necessary by the Service due to transfer timing issues. The expiration date will be changed to continue the same term length from any effective date. This footnote is to be deleted prior to contract execution.” With an April 24, 2018 or potentially later due date for responses to the Prospectus, we believe that it is reasonable to expect that the various remaining steps in the application, review, and award process will not be complete until sometime during fall 2018, at the earliest. Due to the high demand for whitewater rafting trips in Grand Canyon National Park and the fact that these trips are a “bucket list” item for many people, users of the outfitting and guiding services provided by the river outfitter and guide companies operating in the Grand Canyon typically book their trips far in advance of their trip date. Indeed, many visitors already have booked their trips with their selected provider for 2019. Given the time likely to be needed to complete the contract award process, there will be very little time between contract award and January 1, 2019, and even between contract award and the peak summer months. Such a situation creates significant challenges for visitors seeking to plan their trips for 2019 (or who already have done so) with their selected outfitting and guide service, as well as for operators. Which outfitter to book for what is for many visitors a once-in-a-lifetime experience is a very personal choice. Visitors have many companies to choose from, offering diverse experiences. Thus, the choice of company is typically based upon consideration of a company’s background, experience, personality, amenities, trip style, and other factors. It is in the public interest to enable visitors to go with their selected outfitter rather than potentially foist an unknown entity on them in the event their chosen outfitter’s contract is awarded to a new entity. Moreover, as noted in Question 3 above, imposition of the substantially higher costs associated with the new contracts in 2019, for which the operators already have sold much of their inventories at rates already approved and set by the National Park Service, will have significant negative financial consequences for the operators.

- (a) Will the National Park Service change the effective date of the new contracts to January 1, 2020 in order to protect the interests of visitors, help mitigate the severe impacts on the financial viability of the operations for the 2019 season, and potentially avoid any interruption in visitor services?

NPS Response

See NPS Response to Question #6 above.

8. You have given us a short time to complete this Prospectus when compared with past Prospectus's. Can you extend the due date for this Prospectus Response to May 24, 2018?

NPS Response

See NPS Response to Question #5 above.

9. Because I work better off paper than a disk, and because I do not want to miss anything, can you please advise if everything on the disk is also contained in the hard copy Prospectus that was mailed to us?

NPS Response

The CD that was included with the hard copy prospectus included three documents:

- 1) "CC-GRCAXXX-19 complete prospectus.pdf" is a pdf version of the complete prospectus in one file. Yes, this is included in the hard copy of the Prospectus;
- 2) "CC-GRCAXXX-19 Proposal Package.docx" is a Microsoft Word version of the complete proposal package. Yes, this is included in the hard copy of the Prospectus, as the Service provides this Word version to make it easier for potential offerors to develop their proposal electronically; and
- 3) "CC-GRCAXXX-19 PSF4 Excel Forms.xlsx" is a Microsoft Excel version of all the financial forms needed to respond to PSF4. These forms are also included within the hard copy Prospectus.

Please note: Section 3(a) of the Proposal Instructions requires submittal of "three (3) identical hard copies and one electronic copy" and states that offerors "must provide all financial spreadsheets in Microsoft Excel in the format provided." Failure to follow the Submission Protocol may make a proposal non-responsive.

Please Note: The Excel form initially provided on the NPS's website was incorrect, and was corrected via Amendment 1.

Please Note: As noted in the Prospectus Appendices Table of Contents, copies of the following documents are available upon request: the Existing Sample Contract CC-GRCA006-08, the CUA for Canyon Jetboat Service, and the 2018 OLC. The NPS is unable to convert these documents to meet Section 508 Accessibility requirements and therefore cannot publicly post them.

Business Opportunity

10. Page 5 of the Business Opportunity references that clients can provide their own transportation or opt for outfitter provided transportation to Lee's Ferry, the put-in point. However, a similar reference is not made regarding transportation options for the take-out. We, for example, have clients opt out of our transportation at Peach Springs. Please clarify.

NPS Response

Clients may provide their own transportation or opt for outfitter provided transportation from take-out points, except for Whitmore helipad. The Whitmore helipad is located outside the Park boundary upon Hualapai Tribal Land. Offerors would need to have prior permission with the Hualapai for use of the Whitmore helipad.

11. To the best of my knowledge, the approved trip options and rates for each contract that is part of this solicitation are not provided in the prospectus, even though this is crucial information for analyzing the business opportunity that each draft contract presents. This information is necessary, of course, not only to understanding the business opportunity, but to preparing the requested financial materials. Please provide a complete listing of the approved trip options and their associated approved trip fares for each concession contract that makes up the solicitation.

NPS Response

Existing Approved Rates are included as part of Amendment 2.

12. Similarly, the prospectus does not appear to include a calendar of when each company's trips can launch, nor a description of each company's allowed trip options (e.g., motor vs. non-motor). Again, this is basic information necessary to understanding the business opportunity represented by the contract and to preparing an adequate proposal that must include the requested financial information. Please provide the 2019 commercial river trip launch calendar, to include specific information about each trip to enable a meaningful analysis of each company's revenue potential. The prospectus mentions the existence of " an on-line launch calendar to manage a launch schedule that adheres to the requirements of the CRMP and draft contract and is acceptable to the Service." Further, there is an access-controlled website located at www.grivercalendar.org entitled "Grand Canyon National Park River Launch Calendar and Data Center" that bears the NPS shield.
- (a) Please provide further explanation of what appears to be a commercial launch calendaring and data collection web-based computer application.
 - (b) Is this a National Park Service tool that was developed using public funds or a private sector tool that was paid for with, for example concessioner funds operating independently of the federal government?
 - (c) Is this a government tool, or is it owned by the incumbent concessioners either collectively or through their trade association?
 - (d) What type of river use or company data is contained within this "Data Center" and what type of access to this data is currently enjoyed by the incumbent concessioners?
 - (e) If this tool is privately owned but is used to accomplish public regulatory and oversight purposes by the National Park Service, how will the Service react should a challenger be denied access or participation in these functions as a retaliatory measure following a successful application for one or more of the river contracts?
 - (f) Most importantly, will the National Park Service provide equivalent access to the information and/or any tools contained in this system to all prospective offerors for these contracts that the incumbent operators appear to already benefit from, either by providing log-in credentials for prospective offerors to use, or by providing the information in another form? If the National Park Service is unwilling to do so, please explain the basis for a decision that would appear to perpetuate an unfair or unlevel playing field for incumbents and challengers for these contracts.

NPS Response

- (a) The Online Launch Calendar (OLC) is explained within Exhibit B, Attachment A- Commercial Operators Requirements, Sec. 9) Launch Calendar, starting on pg. 18. Within the Prospectus Appendices Table of Contents, the Service noted that a copy of the 2018 OLC is available upon request. The Service is unable to convert this document to meet Section 508 Accessibility requirements and therefore cannot publicly post it. The document is available upon request –See Prospectus Appendices Table of Contents.
- (b) The current on-line launch calendar was developed using Park funds, and is managed through a Cooperative Ecosystem Studies Unit (CESU) agreement with Northern Arizona University (NAU).
- (c) The Online Launch Calendar is owned by the Government.
- (d) See NPS Response to (a) above. Additionally, the 2017 OLC operating reports is being provided with this Amendment 2.
- (e) See NPS Response to (c) above. If awarded a contract, a new concessioner will be provided access to the OLC.

- (f) The NPS cannot, at this time, provide on-line access to the OLC beyond currently authorized users. *We have provided the appropriate 2018 calendar in PDF format, available on request, as well as the 2017 OLC reports.*

13. [Will you provide] Access to the OLC equal to the incumbent's access (I haven't receive a reply to my letter in this regard) which is also crucial to understanding the nature of the business opportunities?

NPS Response

See Response to #12 part (a) and (f) above.

14. No information is provided regarding the jetboat passenger take-out service known to operate in the lower Grand Canyon that is described on various river concessioner websites as an important or even essential aspect of their operations.
- (a) Who owns and operates this jetboat service?
 - (b) The National Park Service must authorize this service. What are the permitting requirements?
 - (c) Is this operator required to serve all passengers from any river company on an equal, non-discriminatory basis?
 - (d) Can a challenger for any of the river contracts rely on this passenger take-out service considering the requirements of its authorization by the National Park Service?
 - (e) Or must a challenger plan and make financial allowance to replicate or provide alternative means to evacuate passengers for trips that must, given CRMP and launch calendar restrictions, travel below the Diamond Creek passenger egress point?

NPS Response

- (a) Currently the Commercial Use Authorization (CUA) is issued to and operated by Canyon Jetboat Services, LLC.
- (b) The Service permits this service via a CUA through Lake Mead National Recreation Area (LAKE). Within the Prospectus Table of Contents the Service noted that a copy of the existing CUA for Canyon Jetboat Service is available on request. Because this is an older document, the Service was unable to convert it to meet accessibility standards.
- (c) The CUA authorizes services for “the sole purpose of retrieval of passengers of commercial boats and rafts for passenger transport downriver directly to Pearce Ferry, South Cove or another location as designated by the Superintendent” of LAKE. The operator is not required to provide such services. Services are limited by the 2006 Colorado River Management Plan to four pick-ups per day. It should be noted that time spent below Separation Canyon is not counted against an operator’s user days.
- (d) The CUA operator may offer its services as available. The NPS leaves it to individual concessioners to arrange this with the CUA holder.
- (e) Potential offerors must make their own determinations regarding how they will manage and operate their businesses.

15. How would the National Park Service respond to a situation where the current jetboat operator refused service to a successful challenger as a retaliatory response?

NPS Response

The NPS will not speculate on a hypothetical scenario because any potential response would greatly depend on the facts of the situation. The CUA holder must operate in a manner satisfactory to the park area superintendent and must comply with Applicable Laws, including those related to nondiscrimination.

16. Please provide a copy of the permitting documentation that authorizes the jetboat service's operations within Grand Canyon National Park and Lake Mead National Recreation Area.

NPS Response

Within the Prospectus Appendices Table of Contents, the Service noted that a copy of the existing CUA for Canyon Jetboat Service is available upon request. The Service is unable to convert this document to meet Section 508 Accessibility requirements. The document is available upon request –See Prospectus Appendices Table of Contents.

17. Will the NPS please explain the nature and level of involvement that the Grand Canyon River Outfitters Association had in the development of this prospectus and contracts?

NPS Response

Grand Canyon River Outfitters Association and its constituent members were aware we were developing the Prospectus for the new contracts. The NPS did not consult with or provide any role to the Grand Canyon River Outfitters Association in the development of the Prospectus and Draft Contract.

Proposal Instructions

18. Proposal Instructions 2) b): Says that each page should have a heading identifying the selection factor and subfactor to which the information contained on the page responds. Is it ok just to write something like “Principal Selection Factor 1: Subfactor 1(b): 2)” and not actually include the whole wording/description of the factors, subfactors and questions?

NPS Response

Yes.

19. When opening the proposal package in different versions of MS Word, the original fonts tend to change. Does the Service have a preferred font or fonts for the submission? What is the original font used in the proposal package?

NPS Response

The original font used in the proposal package is an official NPS font. You may use any font for the submission as long as it meets the requirements of Proposal Instructions, 2) (e).

20. Should our Excel document be "locked" to editing for submission?

NPS Response

No.

21. We are trying to learn more about the exact process that the NPS will undertake in the event that a non-incumbent Offeror submits a proposal that is the highest scoring proposal. In this case, how does the NPS inform the incumbent concessioner that it was not the highest scoring and will therefore have to "match" the other proposal? Does the NPS inform the incumbent concessioner of the terms that it has to match? In this case, does the incumbent concessioner have to submit a new proposal in order to match? If not, what does the incumbent concessioner have to do in order to "match" the other proposal?

NPS Response

A preferred offeror must agree to match all of the better terms and conditions of the best proposal as determined by the Director. Because each proposal and determination presents unique issues, the Director follows no prescribed method for determining such better terms and conditions, nor in determining whether the preferred offeror has agreed to meet each of the terms and conditions. We maintain an administrative record of the process(es) used.

22. The Proposal Instructions specify that, "Page margins must be 1 inch." Proposal Instructions, p. 1, paragraph 2(e). The Proposal Instructions also state that, "Each page should have a heading identifying the selection factor and subfactor to which the information contained on the page responds." Proposal Instructions, p. 1, paragraph 2(b). In addition, they require that, if offerors believe their proposals contain trade secrets or confidential commercial or financial information exempt from public disclosure, they must mark each page with the specified legend. Proposal Instructions, p. 2, paragraph 4(b). Could the Service clarify what information may be included within the one-inch page margins, e.g., page numbers, the trade secret/confidentiality legend, selection factor/subfactor headings, etc.?

NPS Response

The notation of proprietary information may be placed outside the required margins of the response within the headers or footers. The page numbers may also be placed inside the headers or footers.

23. The Proposal Instructions (page 4, item 11b) state that the “Service may amend a Prospectus...prior to and on the proposal due date.” In the event a prospectus proposal is submitted prior to any amendments, how will the Service handle it?

NPS Response

Should the NPS decide to amend or extend the Prospectus prior to or on the proposal due date, the Service would make this known to all parties on the distribution list at the time of amending or extending the proposal period. This would then give offerors time to submit an amendment to their proposal.

24. We understand that the proprietary information may be placed outside the required margins of the Prospectus response so it does not take space from our response limits, but does that also hold true for the page numbers and the headers?

NPS Response

See NPS Response to Question #22 above.

25. On pages where an offeror says the information is proprietary, the instructions say to list everything on the page that is proprietary. This may be distracting to the reader, and could become very cumbersome. Many of our programs have been developed over the years, and we don't want our competitors to be privy to those details. So the question is whether it is necessary to actually identify every section on a page that is considered a trade secret, or if it is sufficient to simply note that everything on that page is to be confidential. We would note each page with the legend you have provided in the instructions. Several of us are unclear about this instruction so we thought we should inquire. If we are to identify everything on a page that is to be confidential, could you provide an example of how that might look? Would such identification be at the end of each paragraph, for example?

NPS Response

It is sufficient to simply note that everything on that page is to be confidential. You may do so in the footer of the page. See NPS Response to Question #22 above.

26. The Proposal Instructions state, “You must specifically identify what you consider to be 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 [specified] legend” Proposal Instructions, p. 2, paragraph 4(b). Could you provide guidance on how the Service prefers that offerors “specifically” identify such information in order to facilitate the Service’s review of offers and not distract from the substance of responses?

NPS Response

See NPS Response to Question #22 and #25 above.

Proposal Package: Offeror's Transmittal Letter

27. May we alter the transmittal letter so that it eliminates instructions referring to business structures/entities that do not apply to our business structure. The intent would be to make the letter read smoothly and be totally applicable. If we should not alter the transmittal at all, please advise.

NPS Response

Please refer to the Proposal Instructions 2) a), that states, "Offerors must follow the format provided in the Proposal Package, including in its entirety without alteration the 'Offeror's Transmittal Letter,' in applying for the concession opportunity. Failure to submit a signed Offeror's Transmittal Letter without alteration (except for filling in the indicated blanks) will make your proposal non-responsive." If you feel that something is Not Applicable to you as an entity, you may insert N/A within the applicable blank on the letter.

28. OFFEROR'S TRANSMITTAL LETTER: In the OFFEROR'S TRANSMITTAL LETTER 2nd paragraph, 2nd sentence. What do I put in the blank space if not a new start-up? Do I leave blank?

NPS Response

See NPS Response to Question #27 above.

29. On page 2, heading number 6 in the OFFEROR'S TRANSMITTAL LETTER it says if selected, you will need to submit the Organizational documents like, Articles of Incorporation, By-Laws etc. Yet on Page 6, middle of the Page in the Proposal Package, it asks you to submit your Organizational Documents with the prospectus. I'm assuming you want them with the prospectus, is that correct?

NPS Response

Yes. If you are an existing entity, you should submit the referenced document with your proposal. If you are an entity that is not yet in existence, you may need to wait to submit the referenced documents post selection.

30. What is an acceptable signature on the electronic version of the Transmittal Letter?

NPS Response

The electronic version of the Offeror's Transmittal Letter should be a scanned copy of one of the signed hard copies.

Proposal Package: PSF1

31. PRINCIPAL SELECTION FACTOR 1: In Subfactor 1(a), 1) it says "Describe programs or activities you commit to implement to enhance clients' opportunities to learn about the natural

systems, history, archeology, and the American Indian relationship to the Grand Canyon from the perspective of American Indian tribes. Your description must include why you think your programs or activities improve protection of natural and cultural resources.”

- (a) Does this mean that we have to describe natural systems from the perspective of American Indian tribes, history from the perspective of American Indian tribes, and archeology from the perspective of American Indian tribes?
- (b) Or is just the description of the American Indian relationship to the Grand Canyon from the perspective of American Indian tribes and then also explain how we’ll teach natural systems, history, archeology from other perspectives?

NPS Response

Part (a) is correct. Offerors must “describe programs or activities you commit to implement to enhance clients’ opportunities to learn about the natural systems, history, archeology, and the American Indian relationship to the Grand Canyon from the perspective of American Indian tribes.” While the NPS expects concessioners to develop and implement effective visitor education skills on all aspects of the Park’s resources, this question focuses on the perspective of the American Indian relationship with the Park, including their history, archeology, and their relationships to the Park’s natural systems.

- 32. Would it be OK to answer both 1) and 2) under “Principal Selection Factor 1: Subfactor 1(b)” without breaking them out/identifying into a specific answer for 1) and for 2) but rather answering both 1) and 2) within the 4 pages allotted to Subfactor 1(b)?

NPS Response

No, the NPS has requested two distinct responses, so please respond as outlined within the Proposal Package.

Proposal Package: PSF2

- 33. Scoring Principal Selection Factor 2 (page 5 of the Proposal Package): unlike Principal Selection Factors 1 and 3, the subfactors are not allocated specific point values. How will the five points be allocated to the subfactors?

NPS Response

For Principal Selection Factor 2, the NPS will award up to a maximum score of 5 points each for Subfactor 2(a) and Subfactor 2(b). The scores for the subfactors will be added together and then divided by two to get the overall final score for Principal Selection Factor 2.

- 34. PRINCIPAL SELECTION FACTOR 2: The description at the top talks about “PROVIDING NECESSARY AND APPROPRIATE VISITOR SERVICES AT REASONABLE RATES.” The Service Objectives and other information below says nothing about SERVICES OR RATES. Since APPROPRIATE VISITOR SERVICES are set by the 2006 Colorado River Management

Plan (CRMP) and rates must be approved by the Park Service and are approved through 2019, what type of information on Services and Rates is the Park Service looking for?

NPS Response

The Service requires offerors to respond to each of the subfactors as published. The Principal Selection Factors are required by 36 C.F.R. § 51.17, cannot be altered, and are used as the general topic for their respective subfactors. The subfactors in this solicitation request information about how concessioners will provide the visitor services.

35. Factor 2, Subfactor 2(a) 1) on Page 5: What does “Submit the information for each of the topics below” mean? Provide what we actually provide to clients? I assumed it meant to describe our method but it says “Submit the information for each of the topics below and describe how will you communicate to potential clients:” A lot of this info is in video format, which we can’t ‘submit’.

NPS Response

Submit the requested information for each topic exactly as outlined within the Proposal Package, and express “how you will communicate” each topic of the question to potential clients.

Proposal Package: PSF3

36. On principle selection factor there is a business organization information form. It asks for current investment value of investment. I assume you want the book value for 2017. Is that correct?

NPS Response

The most current book value would be an acceptable response to the current investment value.

37. Arizona and United States Departments of Transportation only keep infraction records for federal motor carriers for two years. Being minor, non-moving infractions that were fixed immediately, such as taillight bulb replacement, we do not have complete records, either. The Service is asking for five years of infractions (page 8 of the Proposal Package). Please comment.

NPS Response

Please note that Subfactor 3(c)1) of the Proposal Package states, “Describe all Infractions...that the Service should know about....” The NPS leaves it up to the offeror as to what infractions should be brought to the attention of the NPS.

38. PRINCIPAL SELECTION FACTOR 3: It is confusing as to the format the information needs to be in. Subfactor 3(a) at the end of the 1st paragraph says “providing the following information in table form.” I assume if we stay within the 2 page limit the information does not all need to be in table form. Is that correct?

NPS Response

Yes, as long as it stays within the 2-page limit.

39. Is there a page limit to answering the questions about the Offeror's Organizational Structure?

NPS Response

No, there is no page limit to this non-scored portion of the Proposal Package.

40. Factor 3, Subfactor 3(c): Can you explain what you mean by considering related entities?

NPS Response

Related entities, as stated, may include a parent corporation and all subsidiaries, that provide the same or similar services as required or authorized by the Draft Contract.

41. Regarding Principal Selection Factor 3, Subfactor 3(c), we noticed that this subfactor is worth one (1) point.
- (a) Does this mean this is a "binary score" in that an Offeror can either get one (1) point or zero (0) points?
 - (b) If yes, what will be the threshold for Offerors to get the one (1) point? If not, please explain how this subfactor will be scored, such as the use of half-points or tenth-points.

NPS Response

At this time the NPS cannot comment on how the evaluation panel will score Principal Selection Factor 3(c).

42. Regarding the organizational structure of the Offeror: if we are an entity X who creates a new, wholly owned subsidiary Y that will be the Offeror and then Y is subsequently awarded the new contract, are we obligated to sign the contract as Y or could we elect to sign the contract as X? Please explain any restrictions, limitations, or further requirements.

NPS Response

The offeror must execute the contract, as set forth in the Offeror's Transmittal Letter.

43. Regarding the organizational structure of the Offeror: if we are an entity X who creates a new, wholly owned subsidiary Y that will be the Offeror and then Y is subsequently awarded the new contract, are we obligated to sign the contract as Y or could we elect to sign the contract with another, different wholly owned subsidiary of X called Z? Please explain any restrictions, limitations, or further requirements.

NPS Response

See NPS Response to Question #42 above.

44. Regarding the organizational structure of the Offeror: if we are an entity X for whom the Offeror will be X doing business as A, and then X doing business as A is subsequently awarded the new contract, are we obligated to sign the contract as X doing business as A? Or could we elect to sign the contract as just X in this case? What about X doing business as B? Please explain any restrictions, limitations, or further requirements.

NPS Response

See NPS Response to Question #42 above.

45. If a preferred offeror has to match the terms and conditions of the best proposal, will it have to match every single thing the agency identified in the evaluation as better, or only those items selected by the agency as better for purposes of matching? We are concerned that it will be impossible to match some aspects of the best proposal, such as the years of experience or more financial resources.

NPS Response

A preferred offeror must agree to match all of the better terms and conditions of the best proposal as determined by the Director. Because each proposal and determination presents unique issues, the Director follows no prescribed method for determining such better terms and conditions, nor in determining whether the preferred offeror has agreed to meet each of the terms and conditions.

Proposal Package: PSF4

46. For Offerors not yet in existence, Costs of Bid Preparation would be a significant Initial Investment and Start-Up Cost. Existing concessioners also incur those costs. If those costs are determined and included, will they be considered in evaluating existing concessioners' Responses?

NPS Response

Yes. Refer to the Proposal Package explanation of Initial Investment that states, "Explain fully the methodology and the assumptions used to develop the estimate. The information provided should be of sufficient detail to allow a reviewer to understand how the estimates were determined. If you are the Existing Concessioner and do not anticipate any additional initial investment or start-up costs, please state that you consider the current personal property and assets adequate to operate this concession opportunity successfully."

47. During preparation of the 2006—2017 Bid Response, this clarifying question was asked: "Would existing Concessioners' Financial reports for the previous two years fulfill the requirement of Principal Selection Factor 4(a) (2) for "Audited Financial Statements for the two most recent

fiscal years with all notes to the Financial Statements?" The Service replied that they would. Will that same alternative fulfill those requirements (PSF Subfactor 4(b) in the February 2018 Prospectus?

NPS Response

Yes. If the offeror submits concessioner financial reports (which the Service interprets as the concessioner's Annual Financial Reports (AFRs)), and the AFRs were audited, the AFRs would qualify as the offeror's audited financial statements. If the AFRs were not audited and the offeror explained why they were either only reviewed or certified, the AFRs could qualify as reviewed or certified financial statements.

48. In the screened text boxes for our explanations of our Assumptions, should we begin by repeating the dollar amounts that are in the Excel spreadsheets (to provide reviewers with a convenient cross-reference), or can we merely describe the basis for the dollar amounts?

NPS Response

Either way would be fine, as long as the Service can understand what is being referenced.

49. Are the years provided on the Income Statement and Cash Flow Statement Forms in Appendix B placed only as examples? The Cash Flow Form starts with year zero, which is listed as 2015, and the Income Statement Form starts with year 2016. May we change the Cash Flow Form to reflect 2018 as year zero? May we change the Income Statement Form to reflect the first year as 2019? (Appendix B, tabs "Income Statement Form" & "Cash Flow Statement Form")

NPS Response

This issue was corrected through Amendment 1.

50. PRINCIPAL SELECTION FACTOR 4: Why do the Pro Forma Income Statement Form, the Cash Flow Statement Form and the Operating Assumptions Form not all start at 2019 which is the start of the contract period? Can we start all of these forms at 2019? Then extend through the length of the contract as necessary?

NPS Response

This issue was corrected through Amendment 1.

51. On the "CASH FLOW STATEMENT FORM", what is Year Zero?

NPS Response

This issue was corrected through Amendment 1.

52. In the Cash Flow Statement tab, for the Year Zero column, please confirm that 2018 should go in this column. If so, are all the line items required or only the estimated total figures that will feed into 2019?

NPS Response

This issue was corrected through Amendment 1.

53. Subfactor 4(a)2): Requires a complete credit report. We are having problems acquiring a credit report. Do you have any recommendations as to how to fulfill this requirement?

NPS Response

As stated in the Proposal Package, Subfactor 4(a)2): Provide the following: A complete credit report in the name of the Offeror and a complete credit report for any entity that will provide financial assistance that includes scores and is dated within six months prior to the date of the proposal. The report must be from a major credit reporting company such as Equifax, Experian, TRW, or Dun & Bradstreet. If the Offeror is not yet in existence, include a credit report for each Offeror-Guarantor. Also, failure to follow the Submission Protocol may make a proposal non-responsive.

54. Subfactor 4(c) states: Using the Excel spreadsheets provided as an Appendix to the prospectus, complete the Income Statement and Income Statement Assumptions forms and the Cash Flow Statement and Cash Flow Statement Assumptions forms found in tabs within the Excel workbook. Provide estimates of prospective revenues and expenses of the concession business *in the form of annual prospective income and cash flow statements* for the entire term of the Draft Contract. Proposal Package, p. 14. The column headings in the Cash Flow Statement Form included in the Proposal Package Forms Excel file include Year Zero, 2015, 2016, 2017, and 2018. Similarly, the Income Statement Form includes 2016, 2017, and 2018. Given that the Proposal Package specifies “prospective” statements, please clarify the periods for which these statements must be provided and revise the form as appropriate. Also, if the Service continues to include “Year Zero” in the Cash Flow Statement Form, please clarify what that means.

NPS Response

This issue was corrected through Amendment 1.

55. With the implementation of Executive Order No. 13658 for the new contracts (see Exhibit A: Nondiscrimination, p. A-1), compounded with 2017, 2018, 2019, and 2020 increases to both the Flagstaff and the Arizona minimum wages, initial estimates show that labor costs for Arizona Raft Adventures, Grand Canyon Discovery, and Arizona Raft Adventures dba Grand Canyon Raft Adventures under the new draft contracts collectively will increase by several hundred thousand dollars per year. These additional costs, along with the much higher minimum franchise

fee and other requirements of the new contracts, will require us to substantially increase prices to the Park visitor, although we question whether the market can bear these increased costs without hurting demand and making it considerably more difficult for the broader public to afford a Grand Canyon whitewater river trip. These changes also could also have unintended effects on guide compensation, if companies are forced to revisit certain policies (e.g., gratuities, seniority based raises), in order to try to mitigate the financial impact on visitors. --- For illustrative purposes, in 2019, the Arizona minimum wage will rise to \$11/hour. If one takes a conservative approach and assumes that a river guide works 16-hour days, allowing for 8 hours of sleep daily, a 7-day trip amounts to 112 hours of work. If minimum wage is paid for the first 40 hours and time-and-a-half is paid for the next 72, a guide will make \$1678/week. For a 14-day trip, which includes a 15th day for packing the trip, a guide would earn \$3,452 (that's two weeks at \$1678 each plus an additional 16-hour day at \$11/hour). For a non-motor trip with 6 guides, payroll (without calculating the attendant increases in workman's compensation, unemployment expense, profit sharing plan contributions, and payroll taxes) would be \$20,712 – representing an increase of approximately \$5000 per trip (or more than 30%) compared to 2017.

- (a) With such a significant increase in costs, how can the NPS justify an increase in the minimum franchise fees (including a 25% increase in the franchise fee for the highest tier), rather than a decrease? See Proposal Package, p. 19.
- (b) Is it your intention that the visiting public absorb both these costs and the increase in franchise fees?
- (c) If so, has the NPS assessed the potential associated increase in trip cost and the potential market impact and impact to visitor opportunities?

NPS Response

- (a) The NPS considered the potential increase in expenses and determined there was a reasonable opportunity for profit pursuant to the business opportunity offered under the Prospectus.
- (b) No, it is not the Service's intent that the visiting public absorb the increase in costs. Rates are set on competitive market declaration; therefore, companies should set rates based on the best business practices.
- (c) See NPS Response to (a) above.

56. In Subfactor 4(c), the instructions state to complete the Recapture of Investment form and the Recapture of Investment Assumptions form. We have questions about the Recapture of Investment Form Note 5) that directs us to list ending value of all property and other assets at the end of the Draft Contract:

- (a) Should only real property and assets that are sold during or at the end of the contract be listed as "Recaptured"?
- (b) Or should all real property and assets be listed as "Recaptured" even if not actually sold? It seems counterintuitive to add these "Recapture Amounts" to the projected cash flow statement as is required per Note 7) of the Recapture Form if the assets are in fact not sold.

NPS Response

The NPS expects an offeror to approach its recapture of investment as if it were turning its operations over to another operator at the end of its contract term. Thus, any personal property or real property that could be sold because it directly relates to the operation and is no longer needed could be recaptured. If personal property or real property will not be sold because it is being retained to use in another part of a company's business, that should not be included. One should

also assume any real or personal property you include in this form should be critical to the operation and therefore wanted by the next operator.

57. If a concessioner owns property before this draft period, would that property be included in the ending "Recapture Amount" or only property acquired during the contract period?

NPS Response

See NPS Response to Question #56 above.

58. Am I correct in reading on page 18, Proposal Package, third paragraph starting with "Personal financial statement..." that all principals listed on the NPS Form 10-357A need to submit personal financial statements? Would this apply even to companies that are currently operating one of the concession contracts? What if we are the current concession operator and are an LLC? What if we are the current concession operator and are a corporation?

NPS Response

Read Subfactor 4(b) in its entirety, as personal financial statements are only needed if the offeror does not have audited financial statements, reviewed financial statements, or certified financial statements.

59. Are we allowed to expand the gray boxes in the forms for assumptions (for example, in "INITIAL INVESTMENTS AND START-UP EXPENSES ASSUMPTIONS") to allow for our entire explanation?

NPS Response

Yes.

60. Also, are we allowed to expand the gray boxes in the forms for assumptions (for example, on "INITIAL INVESTMENTS AND START-UP EXPENSES ASSUMPTIONS" form, the gray cell next to "Real Property (not within the Park)") to allow for our entire explanation?

NPS Response

Yes.

61. Is it the Service's desire that all the assumptions fit into the gray boxes in the spreadsheet and that we should not add additional columns for the gray boxes to make more room for the assumptions?

NPS Response

You may add additional columns for gray boxes to make more room for assumptions.

62. On Factor 4, page 14, 4(c) it says to not add or eliminate rows on the Excel spreadsheets provided in the appendix. But then, in places like the Direct Expenses section of the Income Statement Form the comment on the Lodging cell says “Note: When updating this template for a specific prospectus feel free to add lines for additional direct expenses if necessary for understanding the operation and the offer.” Are we allowed to add lines here? Same for the Operating Assumptions form, the note on the cell that says Lodging says “Note: Please edit the operating assumption to meet the needs of the specific prospectus requirements.” It seems necessary for us to be able to add/delete rows.

NPS Response

This issue was corrected through Amendment 1. You should no longer need to add/delete rows.

63. Regarding Principal Selection Factor 4, Subfactor 4(a), we noticed that this subfactor is worth a half point (0.5).
- (a) Does this mean this is a "binary score" in that an Offeror can either get a half-point (0.5) or zero (0) points?
 - (b) If yes, what will be the threshold for Offerors to get the half point (0.5) point? If not, please explain how this subfactor will be scored, such as the use of quarter-points of tenth-points.

NPS Response

At this time, the NPS cannot comment on how the evaluation panel will score Principal Selection Factor 4(a).

64. Regarding Principal Selection Factor 4, Subfactor 4(b), we noticed that this subfactor is worth a half point (0.5).
- (a) Does this mean this is a "binary score" in that an Offeror can either get a half-point (0.5) or zero (0) points?
 - (b) If yes, what will be the threshold for Offerors to get the half point (0.5) point? If not, please explain how this subfactor will be scored, such as the use of quarter-points of tenth-points.

NPS Response

At this time the NPS cannot comment on how the evaluation panel will score Principal Selection Factor 4(b).

65. Most, if not all, of the existing whitewater river trip operations at Grand Canyon National Park operate under very tight profit margins—margins that have little room to bear additional operating cost requirements. At the same time, the current market for these services is unlikely to bear rate increases that would allow operators to pass on these cost increases.

- (a) Consistent with the statements in the Department of Labor final rule and of Service officials, the substantial increase in labor costs associated with implementation of Executive Order 13658 is a factor that should reduce the minimum franchise fee. Nonetheless, the minimum franchise fee specified in the Prospectus is higher than under the prior prospectus and existing contracts. Did the Service consider the increased labor costs (minimum wage/overtime) as a result of Executive Order 13658 and the Department of Labor's implementing regulations in calculating the minimum franchise fee?
- (b) If so, please explain what the Service determined to be the impact of these obligations on the Concessioner's ability to make a reasonable profit (including any estimate of cost), and on rates to be charged to visitors, as well as any assumptions used by the Service in making that determination. Please provide documentation of the financial analysis used to determine the contract's financial viability as part of the process of developing the Prospectus.
- (c) Does the Service intend or assume that these cost increases will be passed on to visitors in the form of increased rates? If so, did the Service assess how increased rates would affect the market for these visitor services? If so, would the Service provide documentation of that assessment
- (d) Did the NPS consider the additional premium costs associated with the expanded insurance obligations in calculating the minimum franchise fee?
- (e) If so, please explain what the NPS determined to be the impact of the increased insurance costs on the concessioner's ability to make a reasonable profit (including any estimate of cost), and on rates to be charged to visitors, as well as any assumptions used by the NPS in making that determination. Please provide documentation of the financial analysis used to determine the contract's financial viability as part of the process of developing the Prospectus.
- (f) Does NPS intend or assume that these insurance cost increases will be passed on to visitors in the form of increased rates? If so, did NPS assess how increased rates would affect the market for these visitor services? If so, would NPS provide documentation of that assessment?
- (g) If not answered in response to (e) above, what is NPS's estimate of potential costs for the required minimum insurance coverage? What is the source of this estimate?
- (h) Will the NPS reassess the impact of the increased labor and insurance costs in light of section 407 of the CMIA and reduce the franchise fee?

NPS Response

- a) See NPS Response to Question #55 above.
- b) See NPS Response to Question #55 above. The documentation requested contains information that is considered part of the pre-decisional financial analysis and not available for release.

- c) See NPS Response to Question #55 above. The documentation requested contains information that is considered part of the pre-decisional financial analysis and not available for release.
- d) Starting in 2009, the Service engaged an insurance consultant to determine insurance requirements for all concession contracts. The insurance consultant reviews the risks associated with the specific operations and recommends types and amounts of insurance based on such review and recommends the amount a prudent business operator might obtain. The NPS uses this third-party expert information in concert with other information, such as the NPS guidance on Commercial Recreational Service Insurance Requirements, when establishing limits specified in the contract. This considers factors including risk potential and number of participants in the activity.

The Service considered the increased insurance requirements and determined that there was a reasonable opportunity for concessioners to make a profit pursuant to the business opportunities offered under the Prospectus. Furthermore, the NPS cautions against automatically assuming that insurance premiums will rise in all circumstances, as an increase in coverage does not necessarily translate into a dollar-for-dollar increase in insurance premium. The recommended general liability limit shown can be achieved by any combination of commercial general liability, excess liability and umbrella liability insurance. In addition, the concessioner should evaluate the applicability of Longshoreman's Insurance which may not be applicable in particular circumstances based on the concessioner's operations and river characteristics.

The NPS has considered the cost of the insurance in its financial analysis. Any further information the NPS may provide in response to this question is considered part of the pre-decisional financial analysis and not available for release.

- e) See NPS Response to (d) above.
- f) See NPS Response to (d) above.
- g) This information is considered part of the pre-decisional financial analysis and not available for release. Offerors should consult with their own insurance carriers to determine availability and cost effectiveness.
- h) The NPS's Franchise Fee Analysis was completed in full compliance with the Concessions Management Improvement Act of 1998 (Public Law 105-391).

66. Questions on PSF 4 C and D. To help us understand how to complete this form, can you please define "recapture amounts".

NPS Response

See NPS Responses to Questions #56 & #57 above.

67. What is the intent of this form? (Recapture of Investment)

NPS Response

See NPS Responses to Questions #56 & #57 above.

68. On the recapture of Investments form, note 7 instructs us to: “Recapture amounts entered in this form should be included in the cash flow pro forma as capital recapture in the final year of the Draft Contract. Where are we supposed to enter this on the cash flow pro forma? There is no line for it. Shall we use the line for “other”? Why is this requested only in the final year?”

NPS Response

See NPS Responses to Questions #56 & #57 above. Yes, it should be captured on the cash flow, and can be input on the line to which the recapture corresponds, so Personal Property recapture on the Personal Property line, Working Capital recapture on the Working Capital line, etc. In any instance where recapture does not correspond accordingly, please use an “Other” line and explain on the assumptions tab. The assumption is that you will seek to recapture your investments at the end of the contract assuming another operator is taking over the contract after 10 years. If you were to be awarded the next contract, you likely will not be seeking to recapture your investments, but our starting assumption is you will be operating for only the term of the Draft Contract. If you think you will be recapturing investments in other years of the Draft Contract, feel free to do so, but just note your assumptions so that we can follow your logic.

Proposal Package: PSF5

69. The chart for the franchise fee offer includes a column with an example of a proposed higher franchise fee bid. Should that column be left in there or should it be blanked out?

NPS Response

The example column can be left as it was published within the Proposal Package.

70. According to our calculations, franchise fees for contract #CC-GRCA006-19 will increase by 21% (page 8 of Business Opportunity). The only way for us to absorb that magnitude of increase is to both increase revenue and decrease expenses. This means prices will increase for the Park visitor and visitor planning support (i.e. concessioner office staff) could decrease.

- (a) Was the difference in profit margins for motor trips versus non-motor trips factored into your calculations?
- (b) Was the disincentive to employ larger staffs to answer questions and otherwise serve guests factored into your calculations?

NPS Response

- a) The NPS considered multiple variables within its financial analysis and determined there was a reasonable opportunity for profit pursuant to the business opportunity offered under the Prospectus.

b) It is up to each offeror to determine how it would like to manage its specific operations.

71. What revenue should be included in calculating franchise fees due (transportation, Bar 10 lodge night, etc.)? Could you give scenarios like the NPS provided in the Denali prospectus?

NPS Response

Reference Exhibit B, Operating Plan, Section 5) B (page B-13-14), titled Concessioner Financial Reporting. Section 5)B)(1)(b) states, “Gross receipts from required and authorized services are subject to the franchise fee. Gross receipts generated from services provided entirely outside park boundaries are not subject to franchise fees.” Thus, transportation to and from the river, and Bar 10 accommodations should not be included within gross receipts, as they are taking place entirely outside the park boundaries.

72. We understand that concessions law says that when a park has multiple guide and outfitter contracts for similar services, as is the case with this solicitation, the contracts must have comparable franchise fees. Does this mean the fees need to be identical? How does the agency decide what is a comparable fee if they accept proposals with widely varying fees?

NPS Response

The NPS does not understand this to be a question specifically about the Prospectus. However, the NPS notes that 54 U.S.C. § 101921 provides that in situations in which “multiple concession contracts are awarded to authorize concessioners to provide the same or similar . . . river running . . . services at the same approximate location or resource within a System unit, the Secretary shall establish a comparable franchise fee **structure** for those contracts” (emphasis added).

73. We understand that concessions law says that when a park has multiple guide and outfitter contracts for similar services, as is the case with this solicitation, the contracts must have comparable franchise fees. However for this solicitation, with the prospectus having tiers for franchise fees ranging from 5% to 22.5% minimum FF, it seems that the resulting contracts will NOT all have comparable franchise fees. Does the NPS plan to comply with the applicable concessions law regarding the “comparable franchise fees”? If not, why not? Please explain in detail.

NPS Response

See NPS Response to Question #72 above.

Secondary Selection Factor 1

74. Secondary Selection Factor 1 of the prospectus for guided interpretative whitewater river trips within Grand Canyon National Park states: *Environmental Best Management Practices. Using no more than 3 pages, describe specific environmental best management practices (not already described under other selection factors and beyond the minimum requirements in the Operating*

Plan) that you will implement in each of the following areas: (1) Waste reduction within the Park; (2) Environmental purchasing of equipment (excluding motors) and supplies used on river trips; (3) Campsite management practices. The Service will not consider in evaluating this response reducing or removing motor use. I request clarification on item two listed above.

- (a) While I understand that the Service will not consider a proposal to transition motorized to non-motorized operations, did the Service also intend to prevent an offeror from proposing the use of non-traditional motors, such as electric outboards, that would very much constitute experiential and environmental best practices in terms of providing the motor power for these trips?
- (b) If the Service is interested in receiving proposals for deployment of new marine propulsion systems that would indeed offer substantial environmental and wilderness character benefits, would the Service revise and strengthen the language of Secondary Selection Factor 1 to clarify its interests in this regard and to encourage such competitive proposals?
- (c) Would the Service consider evaluating a response to this factor that does not propose "reducing or removing motor use," but that does propose the deployment of an entirely new class of propulsion technology, a system that as the enclosed letter indicates, is available for demonstration today on the Colorado River within the Park and that holds the very real promise of delivering profound visitor experience and environmental benefits relative to traditional outboards long used within the Park? Without the Service's encouragement in this regard, it seems likely that it may be many years indeed before non-traditional marine propulsion technology may be introduced for regular commercial operations in within Grand Canyon National Park's sensitive backcountry.

NPS Response

- (a) The Service excluded motors from the environmental purchasing portion of this question strictly to level the playing field between motorized and non-motorized offers. This in no way was meant to keep any offeror from implementing best management practices or leading the way in using more efficient technologies.
- (b) The question will stand as written, see the response to (a) above.
- (c) No, the NPS will not consider a new propulsion system in relation to this particular question.

75. Specifically and explicitly, what are the Service Objectives around Environmental Best Management Practices, Secondary Selection Factor 1 (page 26 of the Proposal Package)?

NPS Response

The NPS believes the questions reveal the objectives. The NPS wishes to see reduced waste, implementing improvements in environmental purchasing of equipment and supplies, and improvements in campsite management practices that exceed the minimum requirements described in the Operating Plan.

Draft Contract Exhibit B: Operating Plan

76. In regard to Exhibit B - Initial Operating Plan, page B-2 (5), and Attachment A to the Operating Plan, Commercial Operating Requirements, page 7 (6)(b): It states in the **Operating Plan** as referenced above, that "The Concessioner must include all trip leaders, guides, baggage boatmen, swamper, and assistants, etc. on the Concessioner's payroll, covered by Worker's Compensation

insurance, and covered by the Concessioner's liability insurance." However, in the **Commercial Operating Requirements** as referenced above, it states "Subject to applicable laws, the Concessioner **may allow** an unpaid "work your way" assistant as the second assistant on a single motor rig, or as an assistant on an oar trip, but must not abuse the use of volunteer crew to avoid hiring sufficient staff to provide services to clients." Is an unpaid 2nd assistant on a single motor rig or an oar trip going to be allowed per stipulations in the Commercial Operating Requirements, or not?

NPS Response

Yes, the 2nd assistant, as referenced, meets the concept of the helper not being essential to the trip—a one-time “work your way” or instructor. However, the 1st assistant should be paid. The NPS added language to the Operating Plan to eliminate possible confusion, See Amendment 2.

77. In regard to Exhibit B - Initial Operating Plan, page B-2 (5) 2nd sentence, which states" The Concessioner must not use "work-your-ways" or un-paid adjunct service providers (such as a musician, yoga instructor, or art instructor, etc.) to provide necessary functions in lieu of paid staff." Question: Can an "adjunct service provider" as described above, go as an unpaid 2nd assistant on a single motor rig or on an oar trip as an instructor or group leader or some other position, as long as the person is not providing necessary guide-related work or assistance?

NPS Response

See NPS Response to Question #76 above.

78. Question: Is the National Park Service Concession Management Rate **Approval** Guide as referred to on Business Opportunity, page 8, "Rates", the same document as the Concession Management Rate **Administration** Guide?

NPS Response

Yes.

79. The draft Operating Plan states that: “The Service intends for the Concessioner to collect per-person entrance fees from trip participants who do not already possess a valid Area entrance pass. The Concessioner will sign a separate agreement with the Service and remit such fees promptly.” Exhibit B: Operating Plan, p. B-9. On October 24, 2017, the National Park Service released a proposal to implement peak season entrance fees at 17 of the busiest national parks (“Fee Increase Proposal”). Under this proposal, the per person entrance fee to Grand Canyon National Park from May to September would be increased from \$15 to \$30, starting May 1, 2018. Given the high demand for whitewater river trips in Grand Canyon National Park, many visitors already have booked trips with outfitter and guide concessioners in these parks for the 2018 and 2019 peak seasons. In many cases, the existing concessioners have included the entrance fee—at the existing fee level—as part of the total cost of these trips. Implementing the proposed increases for the 2018 and 2019 peak seasons would therefore require these operators to either notify their customers who have already booked trips priced to include the entrance fee at the existing rate of the increased cost of their trip and inform them that they must pay the additional amount associated with the fee increase, or absorb the additional cost themselves in order to avoid the

burden and expense and potential negative impact on goodwill associated with trying to collect the additional amounts from their customers, when profit margins on many of these operations already are tight. Will the National Park Service agree to phase in the entrance fee increase for whitewater rafting trip participants in Grand Canyon National Park under the new contracts, with sufficient notice to concessioners and visitors, in order to avoid this situation?

NPS Response

Currently the NPS is collecting information that will be used to decide whether the new fee will be implemented. For that reason, it is too early to speculate whether, or how, the proposed fee increase will be implemented.

80. Would the National Park Service also change the rate formula for the remaining term of the existing contracts (including any extension) to the Competitive Market Declaration methodology to facilitate the transition to new contracts and the higher costs associated with them?

NPS Response

No.



Sue E. Masica

cc: Superintendent, Grand Canyon National Park
Chief of Commercial Services, WASO