

**BUSINESS OPPORTUNITY**

**CC-MOJA001-13**

*Department of the Interior*

National Park Service  
Mojave National Preserve

**Proposal for Food and Beverage Services at Kelso Depot**

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## INTRODUCTION

The National Park Service (“Service”) seeks proposals for a concession contract (“Draft Contract”) authorizing a concessioner to operate food and beverage service at Kelso Depot in in Mojave National Preserve (“Preserve”). This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services authorized by the Draft Contract. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Contract (in Part IV), including its exhibits, to determine the full scope of the future concessioner’s responsibilities under the Draft Contract.<sup>1</sup> The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (Public Law 105-391), and its implementing regulations, 36 C.F.R. Part 51.

This Prospectus is issued under the authority of 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the Draft Contract and this prospectus, the Draft Contract will control. Copies of Public Law 105-391 and 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

The term “Concessioner” as used in this Prospectus refers to the entity that will be the Concessioner under the Draft contract. The Term “Existing Concessioner” refers to James Michael Williams, dba The Beanery, the Existing Concessioner under the existing concession contract CC-MOJA001-08 (“Existing Contract”). The Existing Contract is included as an Appendix to this Prospectus.

### The National Park Service and its Mission



In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation created the National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (16 U.S.C. 1)

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

...preserved and managed for the benefit and inspiration of all the people of the United States. . . . (16 U.S.C. §1a-1)

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation’s natural and cultural heritage. To learn more about the National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service's mission, policies, and individual park units.

### Mojave National Preserve

Mojave National Preserve (the “Preserve”) consists of 1.6 million acres and is the third largest unit of the National Park System in the contiguous United States. It is located east of Barstow, Calif., between I-15 and I-40 reached via private vehicles. The closest commercial air service is McCarran International Airport in Las Vegas, Nevada.

Exhibit 1 identifies the location of the Preserve and its relationship to Lake Mead National Recreation Area, Death Valley National Park, and Joshua Tree National Park.

<sup>1</sup>The information and assumptions included in the Prospectus are based on a review and interpretation of available public records, Service records, and consultation with knowledgeable sources. On this basis, the information and assumptions are believed to be accurate. However, the Service makes no representations or warranties as to the accuracy or completeness of such information and assumptions. Offerors are responsible for undertaking appropriate due diligence with respect to the Prospectus. Should any Offeror believe any statement in the Prospectus to be inaccurate, the Offeror should submit comments to the Service in writing, as provided in the Proposal Instructions.



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**Exhibit 1. – Mojave National Preserve**

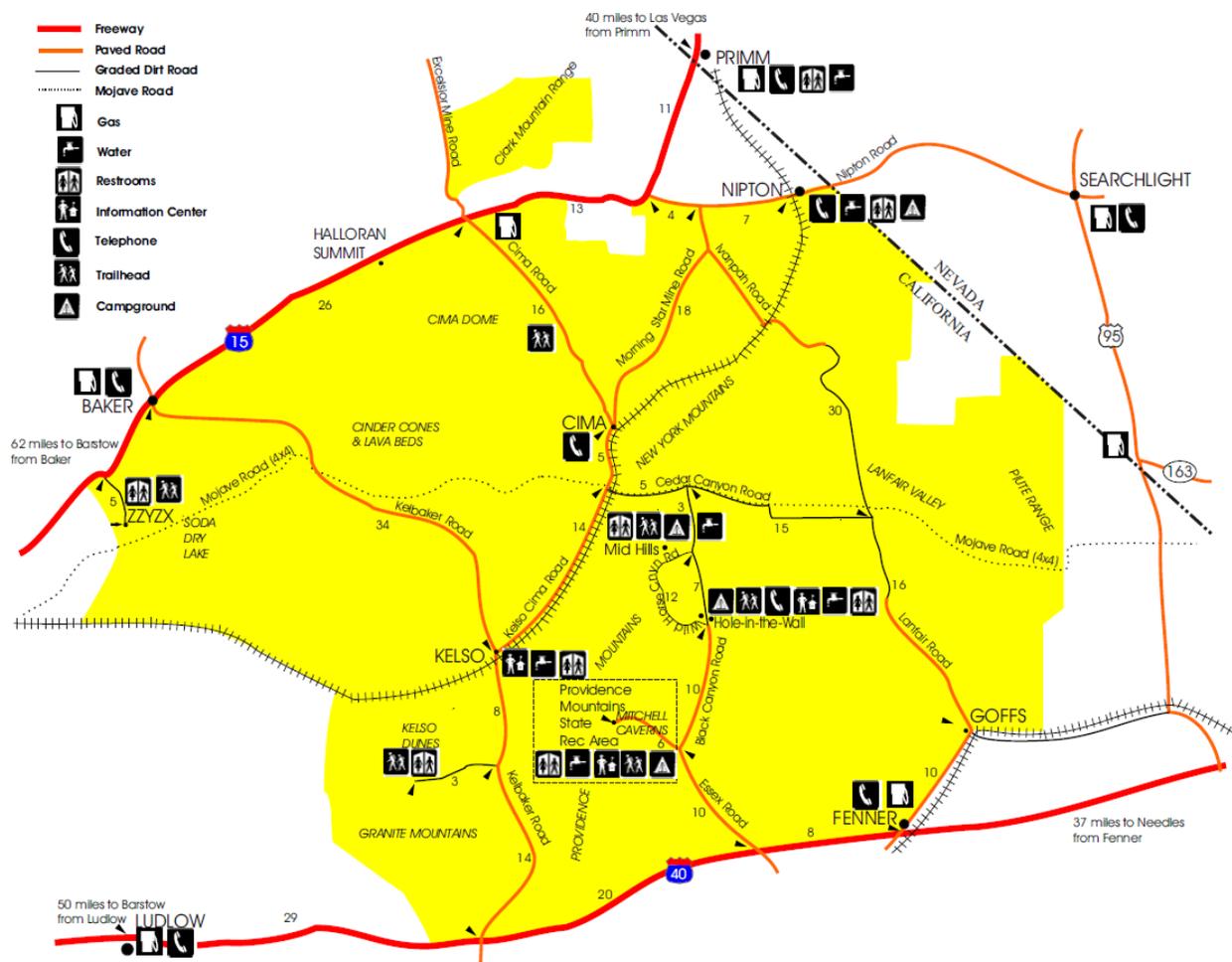
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Source: National Park Service



**Exhibit 2. Mojave National Preserve Map**



Source: National Park Service

**Doing Business in a National Park**

The National Park System has been established and is preserved and managed for the benefit and inspiration of the people of the United States. Congress has mandated that park resources and values are to be conserved and are to be provided for enjoyment in such manner and means as will leave them unimpaired for the enjoyment of future generations, unless a particular law directly and specifically provides otherwise.

To enforce these fundamental management principles, the National Park Service has adopted a number of regulations that apply to activities within National Park Service-administered areas, including to business activities. These regulations are published in 36 C.F.R. Parts 1-199 and are available at <http://www.gpo.gov/fdsys/>. The regulations include a number of general restrictions that may affect business activities, including for example significant restrictions on the display and distribution of commercial notices or advertisements (in 36 C.F.R. §5.1). In addition, the regulations set out a number of specific requirements

for National Park Service concessioners, including applicable labor standards (in 36 C.F.R. Part 8) and provisions for the solicitation, award and administration of concession contracts (in 36 C.F.R. Part 51).

Additional legal requirements apply due to the location of concession operations on lands that are administered by the Federal government through the National Park Service. Federal and State (including local) governments have varying authority to exercise government power and authority over such lands, depending upon the type of interests the Federal government obtained when acquiring the property and what authority a State has chosen to retain. This authority, right or power of a government to act is referred to generally as legislative jurisdiction

The Concession Facilities in the Preserve are located in an area of proprietary jurisdiction. Under this type of legislative jurisdiction, the United States has acquired only a proprietary interest and the State of California retains all jurisdictions over the area which it would have if a private individual instead of the United States owned the land. As a result, State and local laws are applicable: for example, State and local governments have the right to impose taxes on persons, property and activities in the area and may exercise their regulatory powers. However, State and local governments may not, under the supremacy clause of the Constitution, exercise their authority directly on the Federal government or so as to interfere with Federal functions. In addition to the laws and regulations that directly apply to concession operations, the National Park Service has chosen, as a matter of contract, to apply various building and other operational codes to concession operations; these are identified in the Draft Contract's Operating and Maintenance Plans (Exhibits A and E).

A representative of the Service's Public Health Program will conduct periodic evaluations of the Concessioner's food and beverage operations. County Public Health officials have jurisdiction to perform their own independent inspections

### *Climate*

The Mojave Desert experiences change with the seasons. During the winter, infrequent winter snows sparkle on the mountains. In the springtime, with enough moisture, spring wildflowers carpet the desert with vivid colors. Summers are hot, so adventurers head for the higher elevations such as Mid-Hills and the New York Mountains. Temperatures vary considerably along with the great range in elevation, from 7,929 feet at Clark Mountain to 880 feet near Baker. High winds are often in effect. Summer temperatures average from 90 to upwards of 105 degrees, while lows in the winter can plummet to the 20's and blanket the Mojave with snow. As elevations affect temperatures, so too does it influence precipitation. Mountain areas receive around 9 inches annually, while lower lying areas near Baker average only 3.37 inches. At least 25 percent of the precipitation falls in localized summer monsoon thunderstorms.

### **Exhibit 3. Mojave Area Weather Averages**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Average Max. Temperature (F)	57.8	61	65.5	71.5	80.7	90	96.8	96.2	89.4	78.7	65.1	57.1	75.8
Average Min. Temperature (F)	33.2	36.5	41	46.1	54.9	63.4	68.7	67.4	60	49.8	39.7	32.7	49.4
Average Total Precipitation (in.)	1.14	1.23	0.86	0.32	0.11	0.04	0.14	0.19	0.23	0.24	0.61	0.76	5.87
Average Total Snowfall (in.)	0.8	0.2	0.2	0	0	0	0	0	0	0	0	0.1	1.4
Average Snow Depth (in.)	0	0	0	0	0	0	0	0	0	0	0	0	0

Source: <http://www.wrcc.dri.edu/cgi-bin/cliMAIN.pl?camoja+sca>



*Mojave National Preserve Park Management Structure*

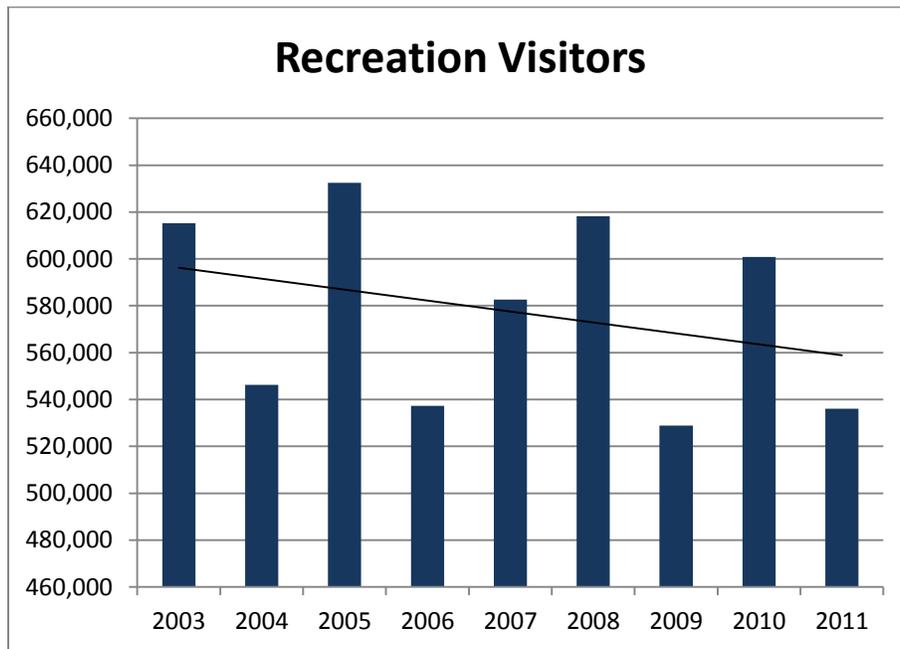
The Preserve is managed by the Preserve’s Superintendent. The Superintendent manages all Preserve operations and is assisted by a management staff that monitors, evaluates, and reviews all concession operations.

*Park Visitation Information*

A visitor study conducted by The University of Idaho Park Studies Unit in 2003 indicated the largest proportion of visitors to Mohave National Preserve came from California (63%), Nevada (14%) and Utah (3%). Five percent of visitors originated from England, Germany, Canada, and 8 other countries. Most visitors spent one to three hours at the Preserve.

Recreation visitation has increased by a compound annual growth rate of 2.3% over the last ten years which is shown in Exhibit 4. (Recreation visit numbers are the sum of vehicle traffic in the park multiplied by the average number of vehicle occupants.)

**Exhibit 4. Recreation Visitors - 2003-2011\***

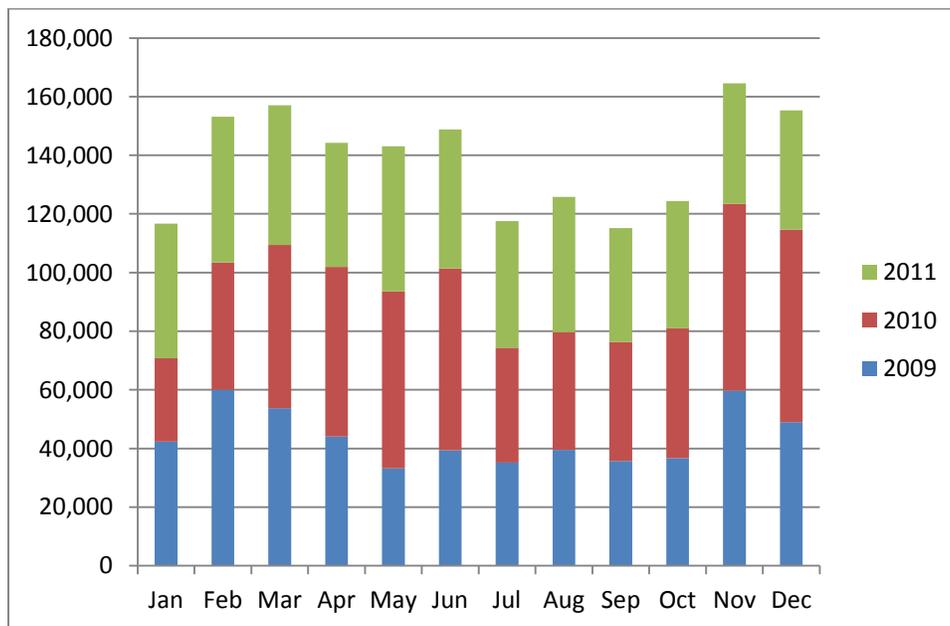


Source: National Park Service @ <http://www2.nature.nps.gov/stats/>  
 \*Visitation statistics are derived from on road traffic counters which are subject to malfunction



Over 63% of visitation occurs in the months of November through April. The last three year’s monthly visitation is shown in Exhibit 5.

**Exhibit 5. Monthly Recreation Visitors – 2009-2011\***



Source: National Park Service @ <http://www2.nature.nps.gov/stats/>

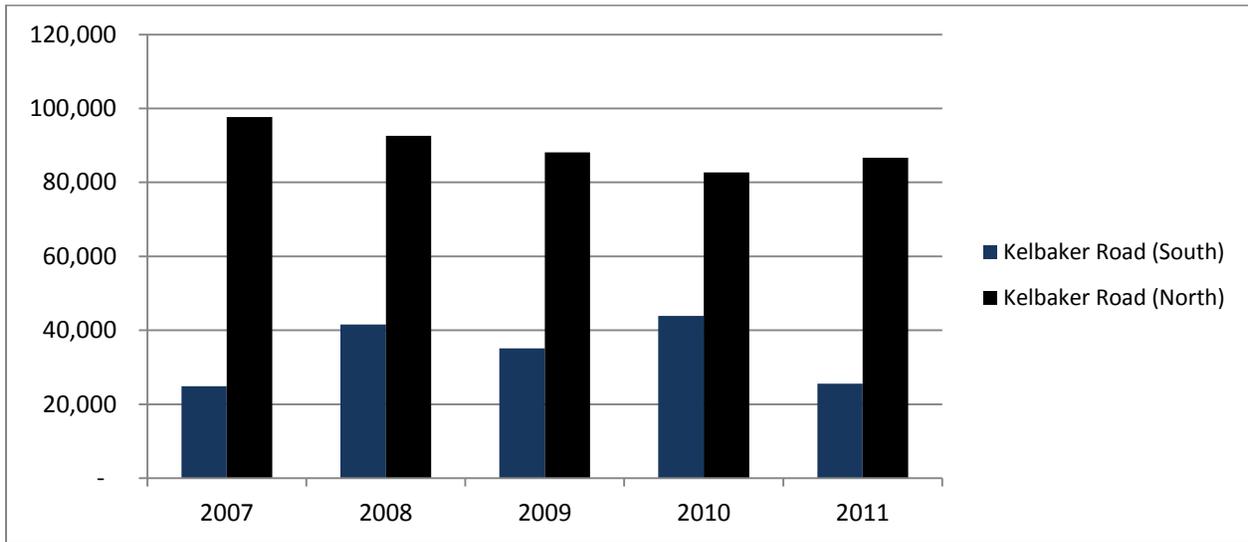
\*Visitation statistics are derived from on road traffic counters which are subject to malfunction

Mojave has three campgrounds, one of which is reserved as a horse/group camp. Each campsite has a fire ring. Additionally, dispersed camping is allowed in pre-existing sites with rock fire rings. Total annual campground usage is approximately 2000 visitor parties per year. Campers represent some of the potential market for firewood sales, though each campground is about an hour’s drive from Kelso Depot.

Kelso Depot is located on Kelbaker Road, which runs north and south through the Preserve and connects to Interstate 15 at the north park boundary and Interstate 40 at the south. Road counts and visitation statistics reflect both park recreationists and vehicles passing through the park only.



**Exhibit 6. Kelbaker Road Count 2007-2011**

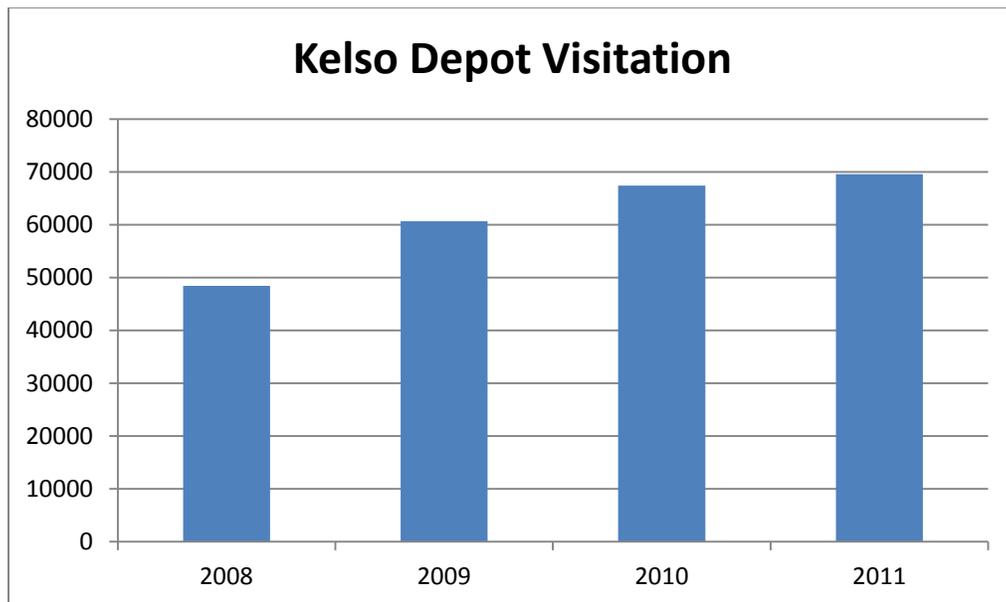


Source: National Park Service

\*Visitation statistics are derived from on road traffic counters which are subject to malfunction

Following the opening of the new Kelso Depot Visitor Center in 2006, visitor counts at the Kelso Depot have increased by 25.3%, 11.1%, and 3.3%, respectively, in the successive years of 2009-2011, as shown in Exhibit 7.

**Exhibit 7. Kelso Depot Visitors**



Source: National Park Service



**MARKET AREA OVERVIEW**

*Local Market*

Mojave National Preserve is located in San Bernardino County, CA and draws its visitors from the heavily populated areas of Los Angeles, San Bernardino, and San Diego, as well as substantial visitation from the tri-state area (Nevada, California, Arizona). An estimated twelve percent of visitors come from Clark County, Nevada. The Las Vegas area has witnessed tremendous growth in the last ten years, including a significant concentration of retirees. Demographic and economic trends are summarized in Exhibit 8

**Exhibit 8. – Population Forecast – Surrounding Counties compared with USA**

	San Bernadino County, CA	Los Angeles County, CA	Orange County, CA	San Diego County, CA	Clark County, NV	California	USA
Population 2001	2,035,210	9,818,605	3,010,232	3,095,313	1,951,269	37,253,956	308,745,538
% Change 2001-2010	19.1%	3.1%	5.8%	10.0%	41.8%	10.0%	9.7%
Per capita Income, 2009	\$21,972	\$26,983	\$33,901	\$30,705	\$27,395	\$22,711	\$27,041
Retail Sales per capita, 2007	\$10,897	\$12,236	\$15,221	\$13,009	\$14,509	\$12,561	\$12,990
Language other than English	39.6%	56.1%	43.6%	35.4%	31.3%	42.2%	19.6%
College Education	18.2%	28.4%	35.2%	34.0%	21.3%	29.7%	27.5%
Unemployment Rate (2/12)	11.9%	11.6%	7.8%	8.9%	12.7%	11.2%	8.3%

Source: U. S. Census Bureau

**EXISTING CONCESSION OPERATION**



Renovation of the 11,500 square foot, two-story Kelso Depot was completed by the Service in 2006. The exterior as well as the Beanery, ticket and telegraph office, baggage room, and two overnight lodging rooms have been restored to their pre-1942 appearance. This facility is used as the Preserve’s principal information center. Other spaces have visitor information displays, natural and cultural exhibits, audiovisual exhibits, an auditorium, public restroom, staff working space, and a 12’ x 12’ room downstairs for the cooperating association’s bookstore. The historic furnishings are intended to deepen the public’s understanding of historic use of the building. Parking for visitors to Kelso Depot Visitor Center includes 36 spaces located on the north side of the building, 3 handicapped spaces, and an additional 8 standard size recreational vehicle spaces.

The Beanery, a restaurant with a 31 seat lunch counter, and is prominently situated on the first floor immediately to the right upon entering the building. A separate food preparation room, approximately 15’ x 17’ in size, is located directly behind the counter. The Concessioner is also be assigned a 9’ x 12’ office on the second floor of the Kelso Depot and space in the second floor hallway for general office and/or storage purposes. The Service requires a year-round operation. The main constraint to service hours is the requirement that Preserve personnel be present during the Beanery’s operating hours. Since the food and beverage service area shares the building with the Preserve’s Visitor Center, the hours of operation must fall within the Visitor Center’s operating hours, currently 9:00 a.m. to 5:00 p.m. seven days a week, every day but Christmas Day.

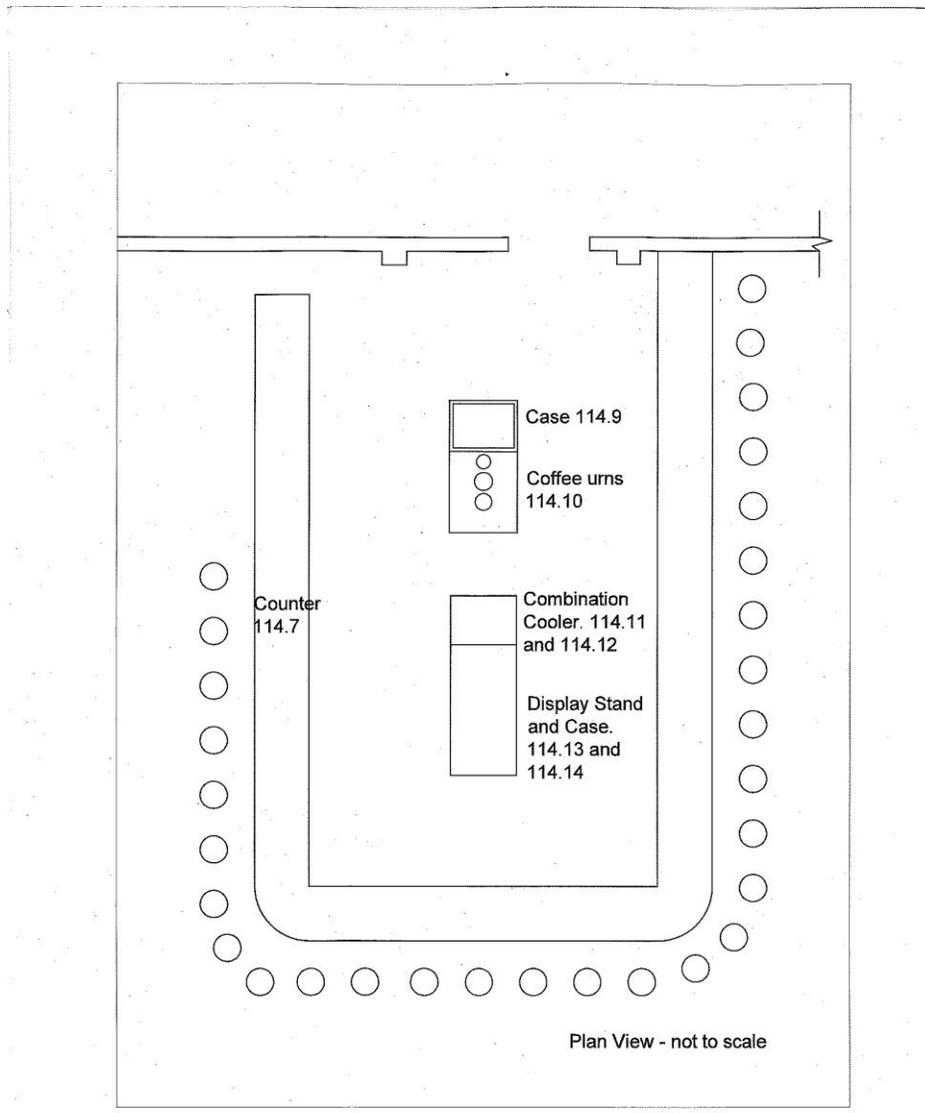
The NPS provides much of the personal property needed for operation of the Beanery. Exhibit D contains a list of government personal property. Any other necessary property must be supplied by the Concessioner.



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**Exhibit 9. – Beanery Seating Layout**

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The Beanery menu offers American cuisine which interprets the Beanery’s historic fare without the use of a fryer. Beer and wine sales are not authorized at the Beanery.

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**Exhibit 10. – Beanery Current Menu Sample**

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# **THE BEANERY @ KELSO**

### **Salads** (served w/ crackers)

- 1) Spring Salad:**  
baby spinach, baby lettuce, cucumbers,  
cherry tomatoes, carrots, green olives,  
and dressing.....8.50
- 2) Tossed Salad:**  
salad greens, cherry tomatoes, onions,  
feta cheese, dried cranberries, and  
dressing.....8.50
- 3) Spinach Salad:**  
spinach, cucumbers, raisins, mushrooms,  
onions, and dressing.....8.50

### **Bagel**

- Toasted w/ Butter.....2.00
- With Jelly or cinnamon/sugar.....2.50
- With Cream Cheese.....2.75
- PB&J & Milk.....4.50**
- Hot Dog, soda & chips.....5.50**

### **Sandwiches**

(includes soda & chips)  
(will substitute carrots or grapes for chips)

- 4) Ham & Swiss on Rye:**  
mustard, lettuce, tomatoes, pickles,  
red onions.....8.00
- 5) Turkey & Provolone on Wheat:**  
ranch dressing, lettuce, tomatoes,  
pickles, red onions.....8.00
- 6) Tuna on Wheat:**  
lettuce, tomatoes, pickles, red  
onions.....8.00  
(avocado or cranberry sauce-\$1.00 extra)
- 7) Vegetarian Sandwich**  
(includes soda & baby carrots or grapes)  
Grain bread, avocado, lettuce,  
tomato, pickles, red onions,  
dressing.....8.50

### **Drinks**

- Coffee sm 1.75 lg 2.00
- Cappuccino or Hot Chocolate:  
sm 2.50 lg 3.00
- Soda or Ice Tea.....2.00
- Bottled Water sm 1.50 lg 2.00
- Fruit Smoothie.....3.50

### **Desserts**

- Scooped Ice Cream in a bowl:**  
(vanilla, chocolate or strawberry)
- 1 scoop.....2.00
- 2 scoops.....3.00
- 3 scoops.....4.00
- Shakes.....4.50**
- Pie.....3.50 ala mode.....5.00**
- Brownies.....2.50**

**DRIVE SAFELY  
COME BACK SOON!!!**

*Source: National Park Service*

### *Employee Housing*

Two RV pads accommodating between a 30' and 35' vehicle each are available for use by the Concessioner.

### *Utilities*

The Service provides electric, gas, water, telephone (two lines), sewer, garbage, alarm, and pest control services on a year-round basis for a monthly fee. In addition the Service has a back-up generator for continuation of Concession operation in the event of power interruption. The Service maintains telephone service to Kelso Depot with an extension for the Concessioner and a dedicated line for credit card transactions shared with the Preserve's Cooperating Association, WNPA. Due to the remote location, telephone and internet service is not always reliable.

### *Historical Revenues*

Historical revenues are depicted in Exhibit 11. The Existing Concession Contract requires a franchise fee of one and one half percent (1.5%) of annual gross receipts of the Concession operation.

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**Exhibit 11. Gross Receipts 2009-2011**


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2009	2010	2011
\$56,846	\$94,890	\$141,188

Source: National Park Service

**FUTURE CONCESSION OPERATION**

The Concessioner will be required and authorized to provide the following visitor services during the term of the Draft Contract.

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**Exhibit 12. – Required and Authorized Services\***


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Existing Contract	Draft Contract
<b>Required Services</b>	
Food and beverage service	Food and beverage service
<b>Authorized Services</b>	
Catering	Catering
Limited merchandise sales	Limited merchandise sales
	Sale of bundled firewood
	Sale of bagged ice

Source: National Park Service

\* The Concessioner must provide the required services and may, at its option, provide the authorized services.

The existing concession operation has similar required and authorized services, with the exception of the addition of firewood and ice sales as authorized services in the new concession contract. The Concessioner is required, as part of the Food and Beverage service, to include vegetarian menu items, and is encouraged to provide healthy eating menu selections for visitors, while also maintaining the historic tradition of the Depot lunch counter operation. Specifics of the operational requirements of the Required and Authorized Services are contained in the Operating Plan, Exhibit A. Provided Concessioner housing (trailer pads only), and responsibility for utility costs will remain the same with the future concession operation.

**FINANCIAL AND OPERATING DATA**

The Proposal Package (Part III of this Prospectus) requires Offerors to develop financial projections based on the services required under the Draft Contract. To assist Offerors in the development of these projections, the Service provides financial and operating data on following pages. In addition, the Service has included additional basic data to aid the Offerors in making projections.

Some or all of the projections may not materialize and unanticipated events may occur that will affect these projections. The Offerors should be appropriately cautious in the use of all operating estimates provided below. Although the Service does provide some financial projections, Offerors are responsible for producing their own prospective financial analyses and may not rely on the Service projections. The Service does not warrant, and assumes no liability for, the accuracy of the financial projections or estimates contained in this Prospectus.

Projected revenues are shown in Exhibit 13:



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**Exhibit 13. – Projected Revenues \***


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	2014	2015	2016
	\$151,229	\$154,858	\$158,575

Source: National Park Service

\*The Contract is estimated to commence on November 1, 2013, so 2013 calendar year revenues have not been projected for this Prospectus. Projected revenues are for required services only; authorized service revenues are not included.

#### *Departmental and Indirect Expenses*

The Service estimates most departmental and indirect expenses will be within industry average ranges. Exhibit E, the Maintenance Plan, provides detail on Concessioner and Service personal property maintenance responsibilities. Utility costs are billed to the Concessioner by the Service and include two telephone lines, gas, electricity, water, sewer, garbage, alarm services and pest control. See Exhibit A, the Operating Plan, for more detail on this and other operational requirements.

### INVESTMENT ANALYSIS

The total estimated required initial investment by the Concessioner as projected by the Service is \$40,492. This includes personal property, start-up costs, and working capital. Exhibit D contains a list of Government-assigned personal property for use in the concession operation. Other personal property needed for the concession operation is the Concessioner's responsibility to obtain. There is no requirement for the incoming Concessioner to purchase the personal property of the Existing Concessioner, or for the Existing Concessioner to sell any personal property to the incoming Concessioner. Appendix H to this Prospectus contains an inventory of the Existing Concessioner's personal property.

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**Exhibit 14. – Estimated Initial Investment**


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<i>Initial Investments</i>		<i>Total</i>
Personal Property		\$25,000
Other Working Capital		\$10,000
Pre-Opening Expenses		\$5,492
<b>Total Estimated Initial Investment</b>		<b>\$40,492</b>

Source: National Park Service

#### **Leasehold Surrender Interest**

The Existing Concessioner does not have a leasehold surrender interest (as that term is defined under the 1998 Act, in 16 U.S.C. §5954, and its implementing regulations, 36 C.F.R. Part 51). The Existing Contract did not authorize the construction of any Capital Improvements, and the Existing Concessioner is not entitled under 16 U.S.C. §5954(c) to receive the value of any leasehold surrender interest.

### FRANCHISE FEE

The minimum franchise fee will be equal to one and one half percent (1.5%) of the Concessioner's annual gross receipts for the term of the Draft Contract. Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in Part III of this Prospectus).

### PREFERRED OFFEROR DETERMINATION



Pursuant to 36 C.F.R. Part 51, the Director has determined that the Existing Concessioner, James Michael William (dba The Beanery), is a Preferred Offeror for the Draft Contract. . The Preferred Offeror's right of preference includes certain rights to match better terms and conditions of the best proposal received under certain circumstance. These rights are described in more detail in 36 C.F.R. Part 51, Subpart E, a copy of which is included in the Appendices to this Prospectus

### **TERM AND EFFECTIVE DATE OF DRAFT CONTRACT**

The term of the Draft Contract will be for ten (10) years with an estimated beginning date of November 1, 2013. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date. An option for a shorter term of five years (at the sole discretion of either the Concessioner or the Director) can be exercised no later than 18 months before five years from the Contract Effective Date.

### **SITE VISIT**

A one-day site visit will occur on the date listed on the inside front cover of this Prospectus. For more information regarding the specific time and to reserve a place, please contact Sue Eibeck at (415) 623-2224 or sue\_eibeck@nps.gov. The site visit will be an opportunity for all interested parties to get an overview of the concession operation along with a tour of Concession Facilities associated with the Draft Contract.

