

**Business Opportunity
For Providing Medical Services
Within Yellowstone National Park**

CC-YELL001-10

Department of the Interior

National Park Service

SUMMARY OF BUSINESS OPPORTUNITY

The purpose of this Summary is to provide a synopsis of the key elements of National Park Service (Service) Draft Concession Contract CC-YELL001-10 (Draft Contract), included in this Prospectus for providing medical services at Yellowstone National Park (Area). In the event of any inconsistency between the terms of the Draft Contract and this Summary, the Draft Contract will prevail.

The Business Opportunity section of this Prospectus describes the commercial visitor services required in the Draft Contract. The following visitor services are required:

Service	Description	Material Differences from Current Contract
Provide emergency and routine medical services <ul style="list-style-type: none"> • Ensure affordable medical care for visitors and Area employees • Provide initial consultation and assistance or appropriate referrals as needed for visitors and Area employees 	Medical services for visitors and employees offered at Old Faithful, Lake and Mammoth developed areas.	No material change

The Concessioner is authorized but not required to provide the following visitor services during the term of the Contract.

Service	Description	Material Differences from Current Contract
Billing for ambulance service	The Service provides ambulance service. The Concessioner is authorized to provide billing services at the same time that they bill for their medical services. This is a convenient process that provides one total bill to the patient for all services provided.	No material change.



Annual Total Revenues

2003	2004	2005	2006	2007
\$729,592	\$710,151	\$889,174	\$924,630	\$1,005,504

Minimum Franchise Fee

Two percent (2.0%) of annual gross receipts

Term of Draft Contract

Ten years starting January 1, 2010

The effective date of the Contract is subject to change prior to contract award if determined necessary by the Service due to potential timing issues associated with a transfer of operations.

Estimated Required Initial Investment

There is no Leasehold Surrender Interest or required real property capital investment associated with the Draft Contract.

Estimated Required Initial Investment

Investment Categories	Amount (est.)
Cash-on-Hand/Working Capital	\$130,000
Inventory (medical supplies)	\$46,000
Start-up Costs	\$60,000
Personal Property (vehicles, equipment)	\$110,000

Note:

Cash-on-Hand: Cash or assets that can be turned into cash quickly used for the daily operations of the business opportunity. It's important to have adequate cash-on-hand to pay monthly bills and other operational expenses.

Start-Up Costs: One time expenses in the creation of a business, before the business begins to generate revenue. In this case, the funds are used to finance administrative and general expenses associated with recruitment and organization.



No Preferred Offeror

The National Park Service has determined that no Preferred Offeror for this Draft Contract exists pursuant to the terms of 36 CFR Part 51. This solicitation for commercial services is fully competitive.



Table of Contents

1. Introduction.....	1
1.1. Foreword.....	1
1.2. NPS Background and Mission.....	1
1.3. Yellowstone National Park Background and Mission	2
1.4. Location	3
1.5. Market Area Overview	4
1.6. Visitation.....	6
2. Operations	7
2.1. Required Services	7
2.2. Authorized Services.....	8
2.3. Assigned Facilities and Land.....	9
3. Operating Environment.....	11
3.1. Direct Competition to Concessioner.....	11
3.2. Area-Specific Attributes Potentially Impacting Concession Operations.....	12
3.3. Concessioner Impact on Area Resources	16
4. Investment and Expenses.....	17
4.1. Possessory Interest / Leasehold Surrender Interest	17
4.2. Other Property	17
4.3. Required Investment.....	17
4.4. Concession Facilities Improvement Program.....	18
4.5. Utilities	18
5. Financials	19
5.1. Concessioner Financial Projections.....	19
5.2. Gross Receipts	19
5.3. Rates	20
5.4. Financial Analysis	21
5.4.1. Minimum Franchise Fee	21
6. Additional Contract Terms	21
Term and Effective Date.....	21
7. Site Visit.....	21



1 Introduction

1.1 Foreword

The National Park Service (Service) seeks proposals for Medical Services in Yellowstone National Park (Area). This Prospectus describes in general terms the existing business operations and the future business opportunities required by the Service. Offerors are responsible for reviewing all sections of this Prospectus and specifically, the terms and conditions of the attached Draft Concession Contract CC-YELLO01-10 (Draft Contract), including its exhibits, to determine the full scope of a future Concessioner's responsibilities under the Draft Contract. The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (PL 105-391) as implemented by the Service in 36 C.F.R. Part 51. This Prospectus is issued under the authority of P.L. 105-391 and 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. Copies of PL 105-391 and 36 C.F.R. Part 51 are included as Appendices to this Prospectus.

1.2 The National Park Service and its Mission

Congress 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 overall mission of the Service is the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the Service, visit www.nps.gov. This site includes information about the Service, its mission, policies, and individual parks.





1.3 Yellowstone National Park Background and Mission

By Act of Congress on March 1, 1872, Yellowstone National Park was “dedicated and set apart as a public park or pleasuring ground for the benefit and enjoyment of the people” and “for the preservation, from injury or spoilation, of all timber, mineral deposits, natural curiosities, or wonders...and their retention in their natural condition.”

Yellowstone is the world’s first national park. It has been, and continues to be, a model for the preservation, management, and enjoyment of natural and cultural resources. Because of its international significance, Yellowstone National Park is designated as a World Heritage Site and a Biosphere Reserve. From the history of the park’s founding to the variety of today’s management challenges, Yellowstone represents an extraordinary idea – the preservation and enjoyment of our natural and cultural heritage. The National Park Service mission requires the protection of these resources, the promotion of sustainable public use practices, and a commitment to involve the American public in the decision making processes in order to promote understanding and to building support for this and other National Park System areas. Issues such as management of elk and bison herds, non-native species, fire and visitor use, as well as endangered species protection, must be addressed through good science, effective public involvement and affirmation of park values.

The Area is managed primarily as a natural area in order to preserve and protect the natural and cultural resources.



Ninety-nine percent of the Area's 3,400 square miles remains undeveloped, providing a wide range of habitat types that support one of the continent's largest and most varied large mammal populations.

To learn more about the Area, visit www.nps.gov/yell.

The Area considers concessioners and other business operators within the Area to be critical participants whose actions have dramatic and important effects upon visitors and Area resources. As such, concessioners must understand and embrace the Area mission and work to achieve Area objectives while also striving to fulfill their own organizational and business goals.

1.4 Location

Exhibit 1-A presents an area map showing the Area and nearby landmarks. The Area is located in the northwest corner of Wyoming with portions extending into southwestern Montana and southeastern Idaho. Communities around the Area include:

Community	Location	Population
Cooke City, Montana	4 Miles From the Area's Northeast Entrance	140
Gardiner, Montana	At the Area's North Entrance	851
West Yellowstone, Montana	At the Area's West Entrance	1,435
Cody, Wyoming	53 Miles From the Area's East Entrance	9,187
Jackson, Wyoming	64 Miles From the Area's South Entrance	9,631
Livingston, Montana	56 Miles From the Area's North Entrance	7,411
Bozeman, Montana	82 Miles From the Area's North Entrance	37,981

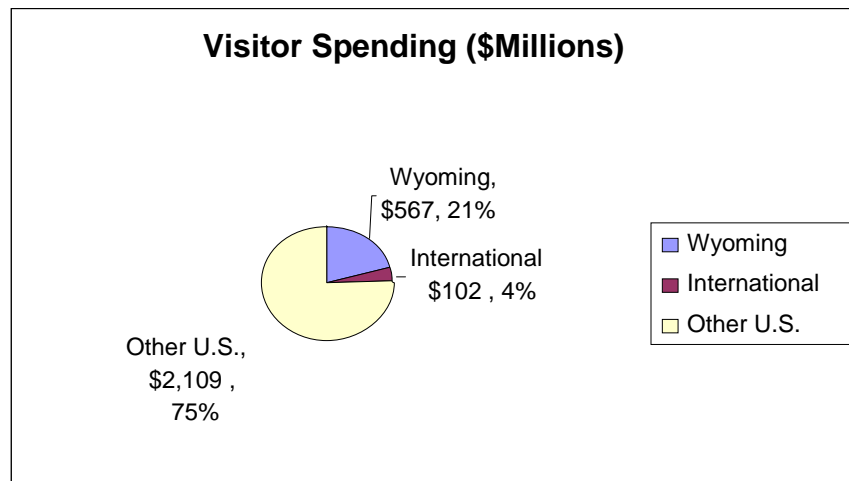
Source: 2007 U.S. Census Bureau Statistics



National Park, and the scenic Grand Teton National Park. Each year, millions of people from all over the world visit the greater Yellowstone Area. Its economic effect crosses many retail trade and services related sectors such as gasoline stations, general merchandise stores, arts, entertainment, and recreation services.

U.S. residents of states other than Wyoming accounted for three-quarters of all travel spending in Wyoming in 2007. Residents of Wyoming accounted for 21 percent, while international visitors accounted for nearly 4 percent (Exhibit 1-B).

Exhibit 1 - B



Source: *Dean Runyan Associates, Longwoods International and U.S. Department of Commerce (Bureau of Economic Analysis and International Trade Administration). 1997-2007*

Traveler Profile and Trip Characteristics

Wyoming Travel Industry, 2006 Impact Report listed the following travel profile and characteristics:

- The average length of stay for overnight visitors was 3.2 days.
- The average party size for visitors to Wyoming was 3.1,
- 98% of visitors came to Wyoming for pleasure, 2% came for business.
- 67% of visitors traveled over 250 miles to reach Wyoming.

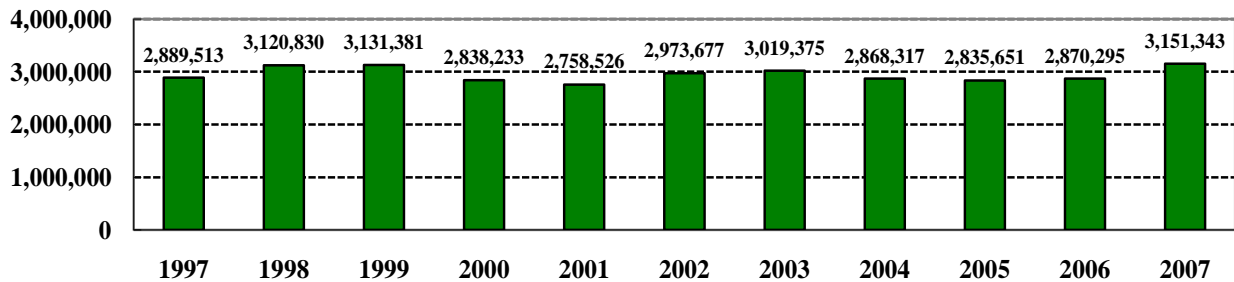


- 88% of our visitors used either their own vehicle or a rental vehicle to travel to Wyoming.
- The overnight visitor to Wyoming is educated and affluent.
 - 95% of visitors are college graduates, in graduate school or have taken college courses
 - The average age of visitors to Wyoming increased to 46.
 - Visitors have an average annual income of \$70K
- 52% of overnight visitors came to Wyoming in July through September.

1.6 Visitation

Exhibit 1-C presents annual recreational visitation at Yellowstone National Park. As can be seen in Exhibit 1-C, visitation has remained fairly constant with little change in numbers.

Exhibit 1-C. Annual Recreational Visitation (1997-2007)

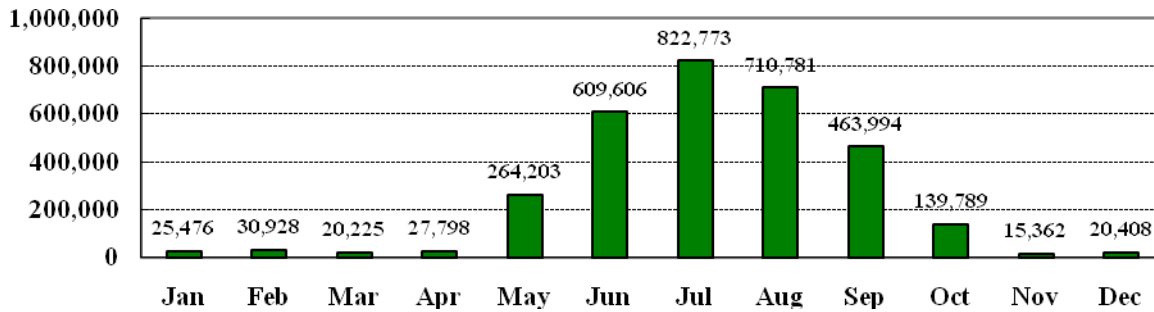


Source: Public Use Statistics Office (<http://www2.nature.nps.gov/stats/>)

Like many national parks, peak season at Yellowstone National Park is from May to October, with June to September realizing the heaviest visitation. From November to April, when many areas of the Park are closed, visitation declines dramatically.

Exhibit 1-D presents monthly recreational visitation to the Area.

Exhibit 1-D. Monthly Recreational Visitation (2007)



Source: Public Use Statistics Office (<http://www2.nature.nps.gov/stats/>)

2. Operations

2.1 Required Services

Exhibit 2-A presents a summary of required services to be provided under the Draft Contract. Exhibit 2-A also identifies whether or not the required services materially differ from those that are currently required. Detail regarding required services is contained in the Draft Contract, including its exhibits and attachments.

Exhibit 2-A. Overview of Required Services

Service	Description	Material Differences from Current Contract
Provide medical services <ul style="list-style-type: none"> • Provide technical and professional expertise to the Service’s emergency medical services program • Ensure affordable medical care for visitors and Area employees • Provide initial consultation and assistance or appropriate referrals as needed for visitors and Area employees 	Medical services for Area visitors and employees offered in clinics at Old Faithful, Lake and Mammoth developed areas. The clinic at Mammoth is a year-round clinic, Old Faithful and Lake are seasonal operations.	No material change





Source: NPS Historic Photograph Collection (Rescue, circa 1950's)

2.2 Authorized Services

In addition to the required services presented above, the Concessioner will have discretion to provide services authorized in the Draft Contract. Exhibit 2-B presents the authorized services and identifies if the authorized services materially differ from those currently authorized. Detail regarding authorized services is contained in the Draft Contract, including its exhibits and attachments.

Exhibit 2-B. Overview of Authorized Services

Service	Description	Material Differences from Current Contract
Billing for ambulance service	The Service provides ambulance service. The Concessioner is authorized to provide billing services at the same time that they bill for their medical services. This is a convenient process that provides one total bill to the patient for all services provided.	No material change.



2.3 Assigned Land and Facilities

Exhibit 2-C provides a summary description of the land and facilities assigned to the Concessioner for use in conducting operations under the Draft Contract.

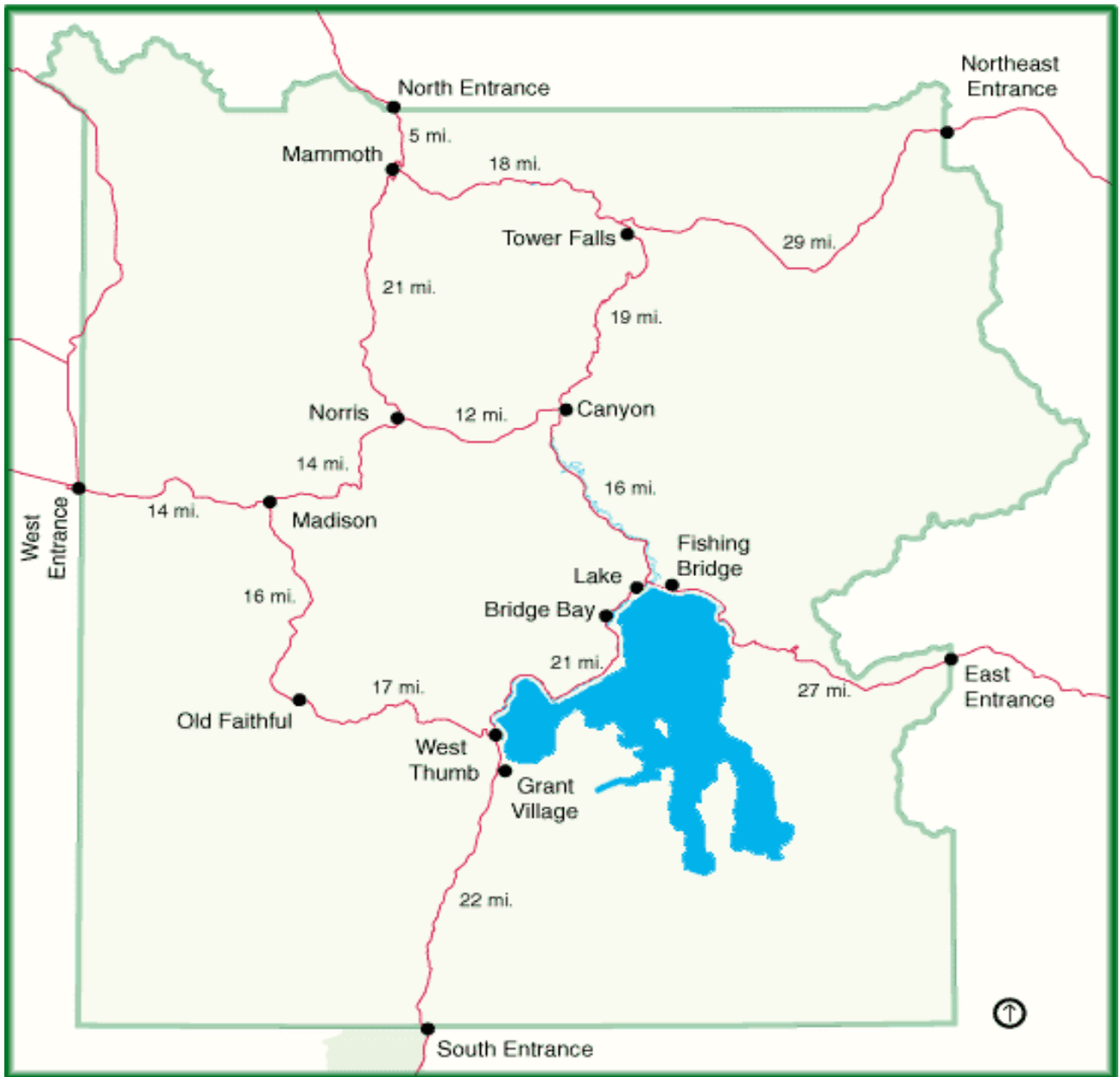
Exhibit 2-C. Overview of Land and Facility Assignments

Location	Description	Square Footage
Mammoth	Clinic, Building 57	2,318 sq. ft. facility
Mammoth	Physician's Residence, Bldg. 11B	2,185 sq. ft. facility
Mammoth	Seasonal Housing (usually an apartment)	Annual Assignment
Lake	Four-plex, Bldg. LA00712	2,632 sq. ft. facility
Lake	Duplex, Bldg. LA00791	1,792 sq. ft. facility
Lake	Hospital, Bldg. LA00712	10,244 sq. ft. facility
Old Faithful	Clinic, Bldg. 2640	2,484 sq. ft. facility
Old Faithful	Apartments (Try & Rest)	950 sq. ft. facility
Old Faithful	Mobile Home and Trailer Site	600 sq ft facility
Old Faithful	Mobile Home and Trailer Site	900 sq. ft. facility
Old Faithful	Mobile Home and Trailer Site	540 sq. ft. facility

Exhibit 2-D to this Prospectus presents a map showing the approximate locations of lands and facilities assigned to the Concessioner for use in conducting operations under the Draft Contract. A complete Area map can be found at www.nps.gov/yell by clicking on "Map" link. Detail regarding land and facility assignments is contained in the Draft Contract, including its exhibits and attachments. Facility assignments are located at Mammoth, Lake and Old Faithful developed areas.



Exhibit 2-D. Park Map



3 Operating Environment

3.1 Direct Competition to Concessioner

There are no other concessioners providing medical services in the Area. Potential Offerors must conduct their own research to evaluate the competitive environment.

Exhibit 3-A outlines visitor services provided in the Area including those offered under this concession contract as well as other services provided by the Service or other authorized commercial operators or partners. The map in Exhibit 3-B provides a geographic depiction of the Area and the developed areas.

Exhibit 3-A. Concession Operated Visitor Services by Geographic Area

Developed Area	Auto Service Stations	Lodging	F&B	Retail	Camping	Other (Including NPS Operated Facilities)
Mammoth Hot Springs	√	√	√	√		Summer and Winter Operations, Medical Clinic, Park Headquarters, Post Office, Visitor Center, NPS Campground
Tower-Roosevelt	√	√	√	√		Cookout, Livery, NPS Campground
Canyon Village	√	√	√	√	√	Livery, Visitor Center
Lake Village		√	√	√		Post Office, Medical Clinic
Bridge Bay				√	√	Marina
Fishing Bridge	√		√	√		Visitor Center, Warming Hut and RV Park
Old Faithful	√	√	√	√		Visitor Center, Post Office, Medical Clinic, Warming Hut
Grant Village and West Thumb	√	√	√	√	√	Warming Hut, Visitor Center, Post Office
Madison					√	Warming Hut
Norris						NPS Campground, Ranger Museum



3.2 Area-Specific Attributes Potentially Impacting Concession Operations

There are some unique attributes of the Area that could potentially affect the concession operation. Exhibit 3-B lists a few of the issues that could impact the operations. This exhibit is not intended to be an exhaustive listing of all unique attributes. Potential Offerors must conduct their own research to evaluate the operating environment.

Exhibit 3-B. Unique Attributes Potentially Impacting Concession Operations

Unique Attribute	Potential Impact to Concessioner
Seasonal Operations	Most of the interior roads are closed to visitors from the first Sunday in November until Winter operations start up on December 15 and end on March 15, at which time transportation is limited to over-snow vehicles. As roads are plowed the Area begins offering limited travel on the third Saturday in April and all roads are open to vehicle travel in May (weather depending).
Conditions of Buildings	Deficiencies identified in the recently completed condition assessment, whenever possible, will be addressed by using the Annual Maintenance Plan and Five Year Maintenance Plan and will be prioritized jointly by the Concessioner and the Service. The Concessioner will be required to complete preventative and routine maintenance, as well as submit annual plans for cyclic maintenance. This contract does not have a provision for a building and improvement program
Referrals to Regional Medical Facilities	Concessioner has utilized outside medical entity to provide a referral service. The outside entity and the medical concessioner have entered into an agreement for re-imbursement of referrals and services provided by the medical facility outside the park. Several medical facilities are located in the Greater Yellowstone Area. If the concessioner wishes to enter into such an agreement, it is their responsibility to develop the relationship and established an approved agreement with the entity of their choice. This referral will be approved by the Service and any funds derived from this relationship will be documented in the concessioner’s annual financial reporting requirements.

Exhibit 3-C identifies park staffing statistics that could potentially impact the concession operation.

Exhibit 3-C. Park Staffing that Potentially Impacts Concession Operations

Park Staffing at Peak Season		
Organization	Permanent Employees	Seasonal/Less than Full Time
Yellowstone General Stores	28	675
National Park Service	387	451
Yellowstone Park Medical Services	6	21
Yellowstone Park Service Stations	4	60
Xanterra	173	2,300

In the Area, the patient needs that have been provided by the current Concessioner include:

- Emergency Care
- Urgent Care
- Primary Care
- Work-related injury/illness care
- Worker's Compensation Management
- Community health and wellness programs and support community wellness through such efforts as health fairs and medical care

Exhibits 3-D, 3-E and 3-F identify medical services that have been provided and how they break down between visitor and employees in the past by the existing concessioner.



Exhibit 3-D. Patient Volume

Clinic Volumes 2003-2006

Yellowstone Total Patients by Month 2003 – 2006

Month	Mammoth				Lake				Old Faithful		
	2003	2004	2005	2006	2003	2004	2005	2006	2004	2005	2006
JAN		258	250	246							
FEB		214	265	220							
MAR	267	240	286	303							
APR	302	290	248	298							
MAY	327	342	382	422	99	78	73	46	175	126	70
JUN	465	471	581	549	370	488	409	510	456	339	410
JUL	520	604	564	567	461	509	547	566	440	483	559
AUG	481	548	566	529	410	391	430	456	345	386	442
SEP	350	352	397	317	186	210	230	260	194	181	256
OCT	354	507	309	250					73	47	14
NOV	248	234	416	358							
DEC	335	289	271	200							
TOTAL	3649	4349	4535	4259	1526	1676	1689	1838	1683	1562	1751

Exhibit 3-E Clinic Visit Distribution (Visitor and Employee)

Visitor and Employee Visit Distribution 2005 – 2006

Patient Type	2005		2006	
	Mammoth	Lake/Old Faithful	Mammoth	Lake/Old Faithful
Visitor	17%	50%	39%	39%
Work-Related Employee	10%	9.5%	5%	5%
Non-Work Related* Employee	73%	40.5%	56%	56%

* Non-work related means it is not a worker's compensation case. They are an employee of a concessioner, Service or a contractor of the Service. But their visit is not related to a work injury or illness.



Exhibit 3-F. Types of Diagnoses Provided

TYPES OF DIAGNOSES		
Diagnoses	2005	2006
	Percent	
Altitude	3%	4%
Cardiovascular	10%	12%
Respiratory	5%	38%
Dental	1%	3%
Infection	21%	15%
GI	6%	7%
Eye Injuries/Complaints	5%	1%
Neurological	1%	1%
Trauma	28%	19%
Fractures	3%	Included above
Other	18%	Included above

Exhibit 3-G lists the types of trauma diagnoses during 2005 and 2006 in the Area.

Exhibit 3-G Types of Trauma Diagnoses

Trauma Diagnoses					
2005			2006		
Fractures	82	13%	Fractures	84	13%
Open Wounds	173	28%	Open Wounds	222	28%
Sprains/Strains	194	32%	Sprains/Strains	180	32%
Animal Injuries	5	1%	Animal Injuries	14	1%
Back Injuries	34	6%	Back Injuries	39	6%
Burns	17	3%	Burns	20	3%
Other Trauma	104	17%	Dislocations	11	17%

Exhibit 3-H lists the various means of transporting patients out of the Area



Exhibit 3-H. Types and Numbers of Transports out of the Park

TRANSPORTS				
2005				
	LAKE	OLD FAITHFUL	MAMMOTH	TOTAL
Helicopters	52	36	3	91
Fixed Wing	0	0	1	1
NPS Ambulance	43	58	13	114
Patrol Car	1	1	0	2
Private Vehicle	35	33	10	78
ALL TRANSPORTS	131	128	27	286
2006				
Helicopters	52	10	9	71
Fixed Wing	0	0	0	0
NPS Ambulance	49	24	16	89
Patrol Car	0	0	0	0
Private Vehicle	27	6	2	35
ALL TRANSPORTS	128	40	27	195

3.3 Concessioner Impact on Area Resources

The core mission of the Area includes protecting, conserving, and preserving Area resources. Exhibit 3-I describes resources that are most likely to impact or be impacted by concession operations in Area leadership’s opinion.

Exhibit 3-I. Concessioner Impact on Area Resources

Area Resource	Description
All Clinics	The Concessioner will conduct operations to ensure proper management, handling, and storage of hazardous materials and wastes used in the Area. The Concessioner will conduct operations to ensure proper handling, tracking, and disposal of medical wastes.



4 Investment and Expenses

4.1 Possessory Interest / Leasehold Surrender Interest

There is no Possessory Interest associated with the Existing Contract. There is no Leasehold Surrender Interest associated with the Draft Contract.

4.2 Other Property

Other property consists of government-assigned personal property and inventories of supplies used or held for use in connection with the concessions operations. There are numerous items included within this group of property including the items listed on Exhibit D: Government-Owned Personal Property of the Draft Contract.

The new Concessioner will be assigned the existing government-owned personal property (Exhibit D of the Draft Contract) and will be expected to replace obsolete or non-repairable property and supplement and/or provide all personal property necessary for the operation by providing the Service with a plan for a personal property replacement program as outlined in the Maintenance Plan. The new Concessioner will have the responsibility to excess or surplus their equipment. The Service will be responsible for excessing or surplus government owned property. The new Concessioner will be required to have personal property which will allow them to provide these services, there is no requirement for the new Concessioner to purchase concessioner-owned personal property from the existing Concessioner. The existing Concessioner is not obligated to sell their personal equipment. The new Concessioner may negotiate with the existing Concessioner for the purchase of their personal property, but is not obligated to purchase anything from the existing Concessioner. The new Concessioner will be required to purchase, or acquire, any personal property that is necessary to operate this business opportunity.

Offerors should not rely on Service estimates in preparing and submitting proposals in response to this Prospectus. Offerors must make their own determinations as to the scope of other Property that is to be purchased and the estimates of compensation for that property.

4.3 Required Investment

The Service estimates of the initial investment required of the Concessioner is shown in the following Exhibit 4-A



Exhibit 4-A Estimated Required Initial Investment

Investment Categories	Amount (est.)
Cash-on-Hand	\$130,000
Inventory (medical supplies)	\$46,000
Start-up Costs	\$60,000
Personal Property (vehicles, equipment)	\$110,000
Total	\$226,000

Note:

Cash-on-Hand: Cash or assets that can be turned into cash quickly used for the daily operations of the business opportunity. It is important to have adequate cash-on-hand to pay monthly bills and other operational expenses.

Start-Up Costs: One time expenses in the creation of a business, before the business begins to generate revenue. In this case, the funds are used to finance administrative and general expenses associated with recruitment and organization.

4.4 Concession Facilities Improvement Program

The Draft Contract does not require or allow the Concessioner to undertake and complete a real property improvement program (known as a Concession Facilities Improvement Program or CFIP).

4.5 Utilities

Exhibit 4-B presents information related to utilities provided by the Service and Concessioner.



Exhibit 4-B. Utilities

Utility	Service-Provided	Historical Rates and Reimbursable Costs if Provided by NPS	Comments
Solid Waste	Service provides and is reimbursed by Concessioner	Costs: 2004 - \$1420 2005 - \$1859 2006 - \$2689	Waste in Tons: 2004 – 2.98 2005 – 3.67 2006 – 4.52
Water	Service provides and is reimbursed by Concessioner	\$9.048 per thousand gallons in 2006. Cost for water & Sewer: 2004 - \$560 2005 - \$1,899 2006 - \$1,258	Water Usage: 2004 - 73,000 gallons 2005 - 233,000 gallons 2006 - 139,000 gallons
Sewer	Service provides and is reimbursed by Concessioner		
Electrical	Concessioner pays direct to supplier. Metered by NorthWestern Energy		
Phones	Concessioner pays direct to provider; provided by Qwest		

5 Financials**5.1 Concessioner Financial Projections**

The Proposal Package of this Prospectus requires Offerors to develop financial projections based upon the services under the Draft Contract. Offerors must exercise caution in using the historical information and Service estimates. The Service will not provide financial projections. Each Offeror is responsible for conducting its due diligence, producing its own financial projections, and relying on its own financial assumptions.

5.2 Gross Receipts

Exhibit 5-A presents historical Concessions revenue.. The Existing Contract has two sources of non-operational supplemental funding that allow the business a more reasonable opportunity for profit. The Seasonal Employee Health Care Program (SEHCP) and Gap Account provide some level of supplemental funding for the YELL001 opportunity.

The Previous Concessioner initiated the SEHCP, an optional employee insurance program. The SEHCP functions as a payroll deduction, costing each concession employee \$0.60 per day. This is a mandatory program for Area concession employees and a voluntary program for Service and Service contractor employees. In return for the daily deduction, the Concessioner provides



basic medical services at a fifty percent (50%) reduction from the normal rate. Previous financial history has shown that the revenue generated from this funding source is approximately \$200,000 annually. To ensure a reasonable opportunity for a company, the National Park Service has determined that a fee of up to \$1.00 per day may be appropriate. Offerors could take an appropriate increased fee into account in developing projections for their financial pro-formas. A request for an increase in the existing \$0.60 per day SEHCP would have to be approved by the Superintendent prior to implementation by the Concessioner.

The Service lacks detailed financial data from the previous medical concession services contract, which expired in 2002. After a thorough audit/study of the operation, the Service and Existing Concessioner agreed that there was an annual “gap” between a profitable and unprofitable operating budget and a buffer against unforeseen lulls in revenue or peaks in expenses should be established. For funding of these accounts, concession operators in the Area have contributed a range of \$600,000 to \$800,000 each year. We anticipate a funding of approximately \$625,000 a year in the future, but this source is not guaranteed. Concessioners who are not required by contractual obligation to participate in this “gap” can be required to charge their employees a higher rate for the SEHCP as well as receive no discounted costs associated with workman compensation cases. The request to charge non-participating concession employees a higher rate would have to be requested, and approved by the Superintendent, on an annual basis.

Exhibit 5-A displays the supplemental funds (SEHCP, and “gap”)

Exhibit 5-A. Gross Revenues and Supplemental Funding

	2003	2004	2005	2006	AVERAGE
Gross Revenues	\$729,592	\$710,151	\$889,174	924,630	813,387
SEHCP Revenues	\$220,718	\$195,250	\$220,378	242,537	219,721
Gap Account	\$800,000	\$800,000	\$600,000	600,000	700,000

Source: Concessioner Annual Financial Reports

5.3 Rates

It is the objective of the Area to ensure that the Concessioner’s rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided in the private sector. Reasonableness of rates will be judged based upon the NPS “Concession Management Rate Approval Guide.” Rate approval methods are described in the Draft Contract (specifically the Operating Plan) and are subject to change. Generally, rates are based on comparison with like services provided by the private sector, under similar circumstances and in the same general geographic region. The Superintendent of the Area approves all rates. Based on the viability of this concession, and the heavily regulated cost reimbursements associated with insurance and Medicare/Medicaid payments, the rates charged for services may exceed comparable rates. These rates will be based on a reasonable opportunity for profit and will be considered secondary in the financial viability of the concession contract, before such rates will be approved.



Exhibit 5-B presents the currently approved rates for the concession operation.

Exhibit 5-B. Currently Approved Rates

Service	Currently Approved Rate
Medical Services for Area visitors and employees	See attached approved rate schedule in Appendix D

5.4 Financial Analysis

5.4.1 Minimum Franchise Fee

The minimum franchise fee under the Draft Contract is two percent (2%) of annual gross receipts. Offerors may propose a higher franchise fee in accordance with the terms of this Prospectus.

The current franchise fee for the existing Concessioner is zero percent (0%) of annual gross receipts. The Concessioner currently provides three and one-half percent (3 ½ %) to a Repair and Maintenance Reserve.

6 Additional Contract Terms

6.1 Term and Effective Date

The Draft Contract is for a term of ten (10) years beginning on its effective date, which is estimated to be January 1, 2010. The effective date of the Draft Contract is subject to change prior to contract award if determined necessary by the NPS. The expiration date of the Draft Contract will be changed accordingly if a material adjustment is made to the effective date that significantly impacts the business opportunity.

7. Site Visit

To help potential Offerors conduct due diligence, the Service scheduled a site visit that took place on October 24, 2006. A copy of the site visit materials is included in an appendix to this Prospectus. Area personnel provided an overview of the Area, along with a tour of the existing Concession Facilities associated with this Draft Contract. No further formal site visits are planned. If you would like a tour, or need more information, please contact:

Judy Jennings, Chief, Concessions Management
 Yellowstone National Park
 P. O. Box 168
 Yellowstone National Park, WY 82190
 (307) 344-2270 or 2271

