

DEPARTMENT OF NATURAL RESOURCES

CONCESSION MANAGEMENT

TABLE OF CONTENTS

Concession Management Policy-DNR #20

Concession Manual

Chapter 1-Request for Proposal

Chapter 2-Concession Contracts/License Agreements

Chapter 3-Accounting and Reporting

Chapter 4- Prices and Rates

Chapter 5-Inspections and Audits

Appendix

Bureau of Reclamation

Concessions Management for Non-Federal Partners

Land Use Authorizations

SUBJECT: Concession Management Policy

DATE: February 2010

EFFECTIVE PERIOD: Until superseded

REVIEW SCHEDULE: May 2014

PURPOSE: To establish a Concession Management Policy

SCOPE: Long and Short Term Concessions, subcontracts, and License Agreements under the administration of the Department of Natural Resources.

RESPONSIBILITY: The Director and managers in the Department of Natural Resources.

POLICY:

- I. **Purpose**
To establish uniform procedures governing the development, administration, inspection, control and auditing by the Department of Natural Resources of long term concession contracts, long term concession subcontracts, short term concession permits and recreation club license agreements.
- II. **Needs Assessment**
Requests for a concession, or license: can originate from many sources including a user survey, services requested by the public, potential concessionaires to establish a particular type of concession, a request by staff, or identified in the area management plan or Master Plan.

Review of a concession contract or license agreement proposal: the affected manager, visitor services manager and director will initially review. The proposal will be reviewed and a staff recommendation will be presented to the Parks Advisory Board for a final recommendation. The Parks Advisory Board can approve deny or ask staff for further information.
- III. **Applicability**
This policy applies to all long term concessions, long term concession subcontracts, short term concession permits and recreation club license agreements solicited, negotiated or approved by the Department of Natural Resources.

IV. General Provisions

State statutes, County procurement and personnel rules as well as regulations established by the Board of County Commissioners shall guide the Department on all procedures dealing with all concession contracts, long term concession subcontracts, short term concession permits and recreation club license agreements. Guidelines from the Bureau of Reclamation directives and standards manual for Concessions Management by Non-Federal partners should be followed unless superseded by another directive. The Resource Management Plan policies that address concessions and recreation license holders are to be followed during the management and negotiations of these contracts and licenses.

V. Definitions

A. Long Term Concession Contract

The privilege of operating and maintaining a commercial business for monetary profit, other gain, or consideration on any lands or waters under the administration and jurisdiction of the Department of Natural Resources for more than one year. The concession contract may involve exclusive rights.

B. Long Term Concession Sub-Contract

The use of any lands or waters under the administration and jurisdiction of the Department of Natural Resources for commercial or non-commercial purposes as a subcontractor operating under the auspices of a long term concession contract.

C. Short Term Concession

The use of any lands or waters under the administration and jurisdiction of the Department of Natural Resources which may be commercial or non-commercial and which has no exclusive rights. A short term concession permit is for a period of one year or less, but may be renewed in subsequent years.

D. Recreation Club License Agreement

The privilege of operating and maintaining a non-profit recreation club on any lands or waters under the administration and jurisdiction of the Department of Natural Resources for a period of more than one year.

VI. Concessions Procedural Manual

All concession contracts, subcontracts, and license agreements will be administered pursuant to the guidelines established in the **Concessions Procedure Manual**.

VII. Concession Management Responsibility

The Director is responsible for concession administration County-wide.

- A. The Visitor Services Manager or designee shall be the primary contact on all concession matters, relating to their respective area. Official files will be maintained at the central department administrative office.
- B. Original copies of all long term concession contracts, long term concession subcontracts, short term concession permits or recreational club license agreements will be maintained at the central administrative offices and maintained by the Administrative Services Manager.

DISTRIBUTION:

Director, Administrative Services Manager, Visitor Services Manager, Department Managers.

APPROVAL:

Gary Buffington, Director

Date

**COMPUTER FILE
LOCATION:**

Departmental Policy\DNR - # Name.doc

EVALUATION FORMAT

All proposals will be evaluated using the following criteria.

<u>CRITERIA #</u>	<u>SUGGESTED WEIGHTS</u>
1. Does the bidder fully describe the business organizations, its structure, key members, controlling interest, etc.?	5
2. Does the bidder's resume, references, current or past performance in this kind of enterprise indicate an adequate level of experience and business character to ensure a successful operation?	7
3. Does the bidder have the financial assets and commitment to successfully meet the RFP requirements?	10
4. Does the business plan information submitted by the bidder show sound business ability and does it reflect knowledge of the proposed operation as known?	10
5. Does the bidder identify a detailed and good accounting system, reflecting all County requirements and a proper audit trail?	8
6. Is the bidder's development plan logically organized to complete proposed facilities: (i.e. phased development, realistic design, completion dates, etc.)	10
7. Does the proposal provide appropriate construction and engineering, (specifications), and materials for the proposed facilities?	10
8. Does the proposal adequately address the goods and/or services offered to the public, including the quality of such items?	10
9. Does the bidder identify an acceptable pricing structure and cost to the public?	5
10. Does the proposal have additional offers that would be beneficial to the public and the County (additional proposals above and beyond the scope of the RFP requirements)?	6
<u>FINANCIAL COMPENSATION CRITERIA</u>	<u>WEIGHT</u>
11. Bid percentage of gross sales (bid % to County x weight equals score).	10

NOTE: The weights identified are recommended and can be adjusted if justified. Weights and associated criteria must accompany the RFP.

EVALUATION PROCEDURE

- A. *Bid Evaluation.* Awards shall be made to the bidder whose proposal is determined to be most advantageous to the County based on the evaluation factors set forth in the Request for Proposal. The bid evaluation committee shall make such determination subject to a recommendation by the Parks Advisory Board to the Larimer County Board of Commissioners.
- B. *Evaluation Committee and Recommendations.* The Director of the Department of Natural Resources, the Visitor Services Manager, the Natural Resources Manager of the park that the concession operates, the Administrative Services Manager or designee, and one additional Division employee appointed by the Director will serve on the Evaluation Committee. The Director will present findings of the Evaluation Committee to the Parks Advisory Board. The Director will also present the recommendation of the Parks Advisory Board to the Board of County Commissioners for final approval.
- C. *Rating.* The Bid Evaluation Form shall be used to evaluate bids that have been submitted by bidders for contract services with the County. A non-numeric evaluation and decision memo will be used.
- D. *Record Keeping.* A copy of the Request for Proposal, copy of the successful bid and the Bid Evaluation Forms for all bidders shall be kept for the contractual terms of the concession awarded by the Request for Proposal.
- E. *Bid Summary Sheet.* A Bid Summary sheet shall be utilized as part of the Board Action Item to fully explain the evaluation process and justification for recommendation for approval to the Board or County Commissioners.

EVALUATION GUIDELINES

Rate	
POOR	<ul style="list-style-type: none"> • Proposes an approach that does not comply with County requirements in many respects, requiring major proposal rewrites to conform to County requirements • Very limited understanding of the requirements for successful performance and its relation to the public <p>High risk of unacceptable performance; likely would require extensive County involvement.</p>
MARGINAL	<ul style="list-style-type: none"> • Proposes an approach that complies in most respects with County requirements, although some material deficiencies or ambiguities remain that require clarification and discussions; major proposal rewrites probably not necessary • Demonstrates basic understanding of the requirement that is likely adequate for successful performance, but proposal does not demonstrate more than surface comprehension of the impact on the public <p>Moderate risk of unacceptable performance; likely would require significant amounts of County involvement.</p>
GOOD	<ul style="list-style-type: none"> • Proposes a sound approach that meets all requirements, requiring only clarification of minor ambiguities, and requiring no proposal revisions to conform to County requirements • Good understanding of concession, recognizing some non-obvious dependencies that demonstrate more than just surface understanding of the impact on the public <p>Low risk of unacceptable performance; County involvement may somewhat exceed normal contract administration.</p>
SUPERIOR	<ul style="list-style-type: none"> • Proposes a superior approach that meets all requirements and exceeds requirements in tangible ways, requiring no clarifications and no proposal revisions to conform to County requirements • Superior, comprehensive understanding of concession project, recognizing many non-obvious dependencies that demonstrate in-depth comprehension of the concession and impact on public <p>No risk of unacceptable performance; County involvement likely will not exceed normal contract administration.</p>

NON-NUMERIC EVALUATION

WORKSHEET

FACTORS	RATING BIDDER 1	RATING BIDDER 2	RATING BIDDER 3	RATING BIDDER 4	NOTES
Variety, quality of goods offered					
Pricing of goods					
Variety, quality of services offered					
Pricing of services					
Complete description of the business organization					
Appropriate resumes, references, past performance documentation					
Complete, sound business plan					
Detailed accounting system with proper audit trail					
Development plan logical, phased, realistic design, completion dates					
Additional factors that would be beneficial to the public or County (beyond scope of RFP)					
% of gross to the state					
Payment in lieu of gross					

CHAPTER 2

CONCESSION CONTRACT/RECREATION CLUB LICENSE FORMAT

A. General Guidelines

All contracts should be explicit, concise and thorough using plain language when possible. The purpose of a concession contract or recreation club license is to define the need for service, the responsibilities of the concessionaire or club and the County and the authority under which the contract/license is initiated. Staff should work with the County Attorney throughout the contracting/licensing process. The County Attorney will need to approve the contract prior to the Board of County Commissioners finally approving the contract/license.

B. Sections

A brief description of the recommended sections is listed below. Any pertinent sections may be added as needed.

License/Contract Parties and Witnesseth Statement:

Effective date of license/contract and the affected parties in the agreement including the subordination agreement with the Bureau of Reclamation if applicable.

1). License and Description of the Site:

Specific identified boundaries of the contractual/licensed premises with a map if appropriate.

2). Term of License/Contract:

Specific dates that the License/Contract will be in affect.

3). License Fee:

Specific calculations of exactly how the percentage license fee will be applied and administered. Specific dates that the license fees are due and payable to Larimer County and a late payment fee clause.

4). Construction of Buildings:

The identification of types, sizes, design and condition of buildings provided by the Licensee on properties leased or owned and approved by Larimer County.

5). Operation of Grounds:

A list of items and responsibilities that the licensee is required to provide as part of the operating terms of the license /contract.

6). Waterfront Facilities:

The number of waterfront facilities and types allowed and approved in the agreement by Larimer County.

7). Sanitation Facilities:

Required sanitation facilities identified and approved methods of disposal for trash, refuse, and sewage. The identification of responsible parties for sanitation facilities and public health requirement information.

8). Laws and Regulations:

Applicable laws and regulations that apply to the license/contract agreement.

9). Liability Insurance:

Required liability insurance information from Larimer County Risk Management.

10). Hours of Business/Charges for Services:

The posting of minimum hours of operation as agreed in the license/contract. Uniform requirements and the approval of prices and rates.

11). Miscellaneous Conditions:

Conditions identified by Larimer County that are required to operate in the agreement.

12). Release:

Identified liability releases to other third party participants subordinated in the agreement.

13). Exceptions and Reservations:

License/contract exceptions usually involving third parties.

14). Transfer of License/Contract:

Information regarding obligations for transferring or sale of the concession.

15). Termination of License:

Conditions, information identified regarding the termination of the license/contract.

16). Officials not to Benefit:

Requirements associated with government officials not benefiting from the issuance of this license/contract.

17). No oral Alterations:

Information prohibiting any verbal agreements outside of this written license/contract.

18). Successors in Interest Obligated and Benefited:

The provisions of the license/contract as it apply to successors of the Licensee and Licensor.

19. Purchase of Improvements:

Conditions outlined for the purchase of improvements in the license/contract upon award or transfer of the license/contract.

20). License Exhibits:

The identification of Exhibits associated with the license/contract.

Signature blocks:

Signatures of the parties responsible for the license/contract.

Examples Attached:

Horsetooth Inlet Bay Marina Concession Contract

Carter Lake Sail Club License

C. Contract Amendments

All contract/license amendments shall be executed and approved by signature of both the contractor/licensor and the County when there is a change to the original wordage of the existing contract. The amendment may include any change in terms such as changing concession hours, services provided, insurance changes, etc. Staff will work with the County Attorney to write the amendment. The amendment should be then discussed with the Parks Advisory Board and recommended for approval by the County Commissioners. The contractor/licensor should then sign the amendment first prior to taking the amendment to the Board of County Commissioners for final approval.

CHAPTER 3

ACCOUNTING AND REPORTING

Revenue Accounting

Licensee is responsible for remitting payment of the concession license fees, on or before the dates specified in the license agreement. A copy of the current year tax return or an audited financial statement should accompany payment, if required by the terms of the license agreement. Payments are made payable to Larimer County and are directed to the Natural Resources accounting department at 1800 South County Road 31, Loveland, CO, 80537.

License fees are credited in the County financial management system to the park district in which the concession is located.

Revenue Reporting

The Natural Resources accounting department is responsible for maintaining accurate records of all concession license payments, and for producing reports of concession revenues at regular intervals. Accounting staff will notify the concession licensee and the Visitor Services Manager of overdue payments or proof of insurance.

Licensee Reporting Requirements

Licensee is responsible for providing annual proof of insurance, which meets all requirements of the County, to Larimer County Risk Management, as provided in the license agreement.

Licensee is responsible for having the fire department conduct an annual inspection of the leased premises for fire and safety hazards. Such inspection must be completed by the date specified in the license agreement, but no later than June 1 of each year. Licensee shall forward copies of such report to the Licensor within 10 days of inspection date.

Licensee is responsible for following regulations for sanitation, water quality, fuel tank, food service, and electrical and other systems as appropriate and as required in the license agreement. Such inspections must be completed annually. Such regulatory agency reports shall be forwarded to Licensor within 10 days of inspection date.

Licensee shall comply with all health and liquor laws and shall furnish copies of all inspection reports to licensor within 10 days of the receipt thereof.

Licensee shall comply with all other reporting requirements specified in the license agreement, which may include other regulatory agency reports. Copies of all required reports shall be provided to the Visitor Services Manager by the dates specified in the license.

CHAPTER 4

PRICES AND RATES

Concessionaire Prices and Rates Submittal

The concessionaire will submit a Prices and Rates schedule by February 1 of each year. Rates and pricing must be consistent with other similar items or services offered by similar businesses operating in the county, unless the price differential can be justified with best business practices. Staff will review the prices and rates submitted and approve. In the event that some prices and rates are not approved, then staff will meet with the concessionaire and discuss and concerns.

Prices and Rates Displayed

The concessionaire will keep prices, rates, and other charges or fees that pertain to the public on display at all times.

Inspections

It is the responsibility of the DNR staff to check prices and rates for compliance during concession inspections.

Chapter 5

CONCESSION AND CLUB LICENSE INSPECTIONS & AUDITS

A. Inspections

Department staff will meet with the concessionaire/club representative during a new year and after one month of operation to inspect the facilities, services, and products provided. Staff will give the concessionaire a two week notice prior to the inspection. Included in the staff inspection will be all licenses, permits, taxes, fee requirements, contract requirements, laws, ordinances, codes, rules, accounting systems, and regulations that the concessionaire is required to have in order to operate. After the initial inspection, staff will again inspect the concession again during the recreation season to ensure that any deficiencies have been addressed. All of these items will be documented on an inspection form.

The concession inspection is an efficient management tool that can improve the quality of service to visitors. Inspections assure compliance and cooperation between park management and concession operations. Inspection items listed as unacceptable or immediate action required, shall include a deadline for corrective action.

The Concession Inspection form will be used to assure that specific requirements are met. The specific requirements are listed and should be addressed initially during the inspection. Additional space has been provided for discussion items not covered previously. Levels of compliance have been provided to measure areas of inspection, acceptable and unacceptable. The immediate action box is usually utilized with the unacceptable level when there is urgent need to react in a timely manner.

Categories should be added or deleted according to the type of concession or other areas of interest that staff would like to inspect. The Health Department regulations category actually identifies the level or score that the concession received from their County Health Department inspector. Other required licenses and permits need to be inspected to assure that other entities have approved the concession operation with their individual requirements. The inspector should also make sure that all required rules and regulations are posted.

Concession Audits

Department accounting staff will audit the concession as needed throughout the life of the contract. Audits can occur at any time at the request of the District Manager, Visitor Services Manager or Department Director.

A written audit report will be completed giving the findings of the audit. A department review committee may be assembled to review the written audit and investigate the auditor's findings.

A plan of action will be implemented to correct discrepancies or rectify problem areas. The Auditor's Report will be amended or sustained and will be accepted as the final report. Follow up action and documentation may be necessary to resolve all issues.