

## SECTION 1. BUSINESS OPPORTUNITY

### INTRODUCTION

The National Park Service (also referred to as the “Service”) seeks proposals for the concession operation of a retail merchandise shop and food service within Fort McHenry National Monument and Historic Shrine with services authorized but not required within Hampton National Historic Site (also referred to jointly as the “Park”). This prospectus describes in general terms the existing operations and the future business opportunity associated with the attached Draft Concession Contract CC-FOMC001-10 (also referred to as the “Draft Contract”).

Potential offerors are responsible for reviewing all sections of this prospectus and, specifically, the terms and conditions of the Draft Contract, including its exhibits, to determine the full scope of the 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 regulations at 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.

The term “concessioner” as used in this prospectus refers to the entity that will be the concession business operator under the Draft Contract.

#### **The National Park Service and its Mission**

America’s National Park Service was created by Congress 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 USC 1)*

Additionally, through this “Organic Act,” the Congress 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 USC 1a-1)*

To learn more about the National Park Service, visit our website at [www.nps.gov](http://www.nps.gov).

#### **Fort McHenry National Monument and Historic Shrine**

Fort McHenry National Monument and Historic Shrine (NM&HS) is located across Baltimore Harbor from the center of Baltimore, Maryland. It is also readily accessible via I-95 and Richie Highway to East Fort Avenue which intersects Maryland Route 2. During the summer months it

is also accessible by shuttle boat from Baltimore's Inner Harbor. The surrounding area is residential, industrial and waterfront.

### **Hampton National Historic Site**

Hampton National Historic Site (NHS) is located in Towson, MD, which is just north of Baltimore and about 19 miles from Fort McHenry NM&HS. Hampton NHS is close to three interstate highways – routes 695, 70, and 95 – and is less than one mile from Goucher College.

### **CURRENT CONCESSION OPERATION**

The present business consists of a 190 square foot retail merchandise shop and 300 square feet of basement storage space located in the Visitor Center at Fort McHenry NM&HS. It also includes vending machines located outside of the Visitor Center that provide snacks and beverages and a seasonal food service cart, which was operational at the end of the 2007 season.

### **Existing Concession Contract**

The existing concessioner is Evelyn Hill Corporation, Liberty Island, New York, NY 10004. The existing concession contract has been continued through December 31, 2009.

There are no other concessioners authorized to operate concession accommodations, facilities and services for the public in Fort McHenry NM&HS.

### **Historical Financial Information**

The Proposal Package section of this prospectus requires offerors to develop financial projections based upon the business to be operated. Offerors should be cautious in the use of historical information. The National Park Service does not provide financial predictions; therefore, offerors are responsible for producing their own pro forma financial statements and relying upon their own financial predictions.

The following are operating results for the existing business from 2004 to 2008, as reported by the existing concessioner:

*Exhibit 1. Operating Results*

Year	Revenues			Franchise Fee 6.5%	Building Use Fee	Merchandise Inventory
	Souvenirs	Food & Vending	Total Gross Receipts			
2008	\$272,813	\$34,742	\$307,555	\$19,991	\$2,520	\$79,300
2007	\$296,866	\$21,657	\$318,523	\$20,704	\$2,520	\$85,625
2006	\$300,080	\$ 4,141	\$304,221	\$19,744	\$2,520	\$79,731
2005	\$319,213	\$ 4,031	\$323,244	\$21,011	\$2,520	\$95,429
2004	\$333,046	\$ 4,944	\$337,990	\$21,969	\$2,520	\$88,768

The approximate amount of sales per square foot of retail space is \$1600. The concessioner currently has only two people employed year round to operate the small gift shop.

### **FUTURE CONCESSION OPERATION**

Proposals are requested for a ten-year concession contract to provide a retail merchandise shop for gift and souvenir sales, and limited food service. Plans are underway for the replacement of the existing Visitor Center with a new Education and Administrative Center intended to prepare the park for the Bicentennial of the War of 1812. The new facility is expected to be completed and ready for occupancy approximately August 2010 and the existing Visitor Center will need to be demolished. The draft contract will not provide for operation in the existing Visitor Center.

The following space will be assigned to the Concessioner in the new Education and Administrative Center: Retail sales area, approximately 500 square feet; office adjacent to retail sales area, approximately 92 square feet; storage, approximately 450 square feet. The storage space will provide an electrical hook up for a refrigerator. The Service will provide built-in finishes for the retail space, including display cases, shelving, and lighting. Additional removable tenant finishes, such as display cases, may be provided by the Concessioner. Preliminary plans for the concession space in the new Center are provided in Appendix B.

In addition to the operation of the gift shop on a year-round basis, the concessioner shall be required to provide up to four vending machines for the sale of snacks and beverages. The vending machines will be operational, at a minimum, between April 1 and October 31. The machines are currently located approximately 100 yards from the existing Visitor Center next to the restroom facility and adjacent to the parking lot. The number of machines and location, type of offerings, and rates charged are subject to the approval of the Superintendent, Fort McHenry NM&HS.

From April 1 through Columbus Day weekend in mid-October (at a minimum), and as may be requested by the Service for special events, a food service cart operation will be required. It is anticipated there will be a maximum of two carts in operation at any one time. The Service will provide a concrete pad with water and electric access for the food service cart(s) located near the Education and Administrative Center. Typical items for sale will be pre-packaged sandwiches, cut-up fruit and vegetables, hot pretzels, and assorted beverages. The menu offerings, and rates charged are subject to the Superintendent's approval.

The Concessioner will make boxed lunches available for sale at Fort McHenry NM&HS, at a minimum, from April 1 through Columbus Day weekend. This service is authorized but not required for Hampton NHS which is administered by the Superintendent, Fort McHenry NM&HS. The address for Hampton NHS is 533 Hampton Lane, Towson, Maryland 21286.

The concessioner will be required to establish a recycling program for glass, plastics, bi-metal cans, aluminum cans and compostable materials.

The following Exhibit summarizes the required and authorized visitor services. More specific details may be found in the Operating Plan, Exhibit A of the Draft Contract.

**Exhibit 2. Summary of Required and Authorized Visitor Services**

Service	Description of Existing Services	Description of Services for Future Contract
Retail Merchandise	<p><i>Required:</i> Sale of gifts and souvenirs on a year-round basis as approved by the Superintendent.</p> <p>190 square feet of retail merchandise area and 300 square feet of basement storage</p>	Approximately 500 square feet of retail merchandise area; approximately 92 square feet of office; approximately 450 square feet of storage
Vending Machines	<p><i>Required:</i> Sale of snacks and beverages on a seasonal basis. The number of machines, location, types of offerings and rates shall be approved by the Superintendent.</p>	
Food Service Cart Operation	<p><i>Required:</i> Sale of limited food service items from up to two carts on a seasonal basis and for approved special events. The menu offerings and rates shall be approved by the Superintendent.</p>	
Boxed Lunches	<i>Not an authorized or required service.</i>	<p><i>Required:</i> Available for sale at Fort McHenry NM&amp;HS</p> <p><i>Authorized but not required:</i> Available for sale at Hampton NHS.</p>

## Visitation

Fort McHenry receives visitors from all over the world. The following are the most recent visitation statistics available from the National Park Service Public Use Statistics Office (<http://www2.nature.nps.gov/stats>).

**Exhibit 3. Annual Recreational Visitation**

Calendar Year	Recreational Visitors
2008	598,050
2007	574,924
2006	622,419
2005	620,636
2004	627,659

**Exhibit 4. Monthly Recreational Visitation for 2008**

2008	Recreational Visitors
January	23,404
February	30,087
March	35,094
April	56,282
May	73,345
June	64,718
July	57,777
August	68,068

September	63,127
October	64,467
November	34,484
December	27,197

While no future visitation projections exist, it is anticipated that the opening of the new Education and Administrative Center in 2010 and the Bicentennial of the War of 1812 will both attract additional visitors to the Park during the term of the future contract.

### **No Preferred Offeror**

Under the terms of National Park Service Concessions regulations at 36 CFR Part 51, the Director has determined that no Preferred Offeror exists for this Draft Contract. This solicitation for commercial services is fully competitive. All interested parties, including the current operator, must apply and must submit a responsive proposal in response to this prospectus.

### **Minimum Franchise Fee**

The new contract will require the concessioner to pay a franchise fee based on gross receipts as described in Section 10 of the Draft Contract. The minimum franchise fee for the new contract is ten percent (10%) of gross receipts. Lower offers will make your proposal non-responsive. Higher offers may be proposed in the Proposal Package.

### **Term and Effective Date of the New Contract**

The new contract will be for a term of ten (10) years beginning on its effective date which is estimated to be in August, 2010. The effective and expiration date of the contract is subject to change prior to contract award if determined necessary by the Service.

### **Environmental Management**

The new concessioner will develop, document, implement, and comply full with a comprehensive written Environmental Management Program (EMP) to achieve Environmental Management Objectives. The initial EMP shall be developed and submitted to the Director for approval within 60 days of the effective date of the Contract. A proposed updated EMP will be submitted for approval annually. (See Section 6 of the draft concession contract included in Section V of this Prospectus.)

## **INVESTMENT ANALYSIS**

The Offeror should be appropriately cautious in the use of all operating estimates and the Service assumes no liability for the accuracy of the estimates contained in this Prospectus. Offerors are responsible for producing their own prospective financial analyses and relying upon their own financial predictions.

### Compensation due to the Existing Concessioner

There is no possessory interest compensation due the existing concessioner from any successor.

### Acquisition of Existing Concessioner's Personal Property and Merchandise

If a new concessioner is selected for award of the concession contract, it will be required to purchase merchandise, and supplies of the existing concessioner in accordance with the terms of Section 13, COMPENSATION, of the existing concession contract. Please review the existing concession contract attached as Appendix A. The existing concessioner has reported its merchandise inventory to be \$79,300 as of December 31, 2008.

Subsection 13(b) of the existing contract requires the concessioner to sell and transfer all tangible property to a successor. The existing concessioner has reported the book value of its personal property as of December 31, 2008 to be \$14,320. This property consists of a register stand, gift shop display fixtures and food wagons. Typical equipment used in this business also includes refrigerator, freezer, utensils, and recording cash register. The concessioner must arrange for vending machine services.

Offerors are solely responsible for assessing personal property that must be purchased, its condition and estimated purchase price. The fact that the final purchase price may be greater than estimated by an offeror will not be grounds for adjustment of the terms of the contract or other relief to the new concessioner.

The following Exhibit summarizes the estimated initial investment.

*Exhibit 5. Estimated Required Initial Investment*

Personal Property	\$ 14,320
Start-Up Costs/Working Capital	\$ 38,000
Inventory as of 12/31/08	\$ 79,300
Total	\$131,620

### SITE VISIT

A site visit for prospective Offerors will occur on **Thursday, July 16, 2009**. At that time, an overview of the Park will be provided by NPS Concession Program and Park managers, and a tour will be given of existing concession facilities, as well as a basic orientation to the siting for the new Education and Administrative Center where the operations associated with the Draft Contract will be located. ALL PARTIES intending to attend the scheduled site visit MUST SEND AN EMAIL MESSAGE TO [NER\\_FOMC\\_Concessions@nps.gov](mailto:NER_FOMC_Concessions@nps.gov), Attention: Kathleen Karhnak, (215) 597-7062, by close of business, Eastern Time, **Monday, July 13, 2009**, to receive further instructions. The email should provide, at a minimum, a listing of all attendees by full name, organization, address, and phone contact number. In addition, the email address and

phone contact number of the organization's primary contact is required for coordination purposes.

Further information and additional directions will be sent by return email message to the organization's identified primary contact.

### **LAW, REGULATION, POLICY AND PARK INFORMATION**

NPS Concessions Law, Regulation, Policy and information about Fort McHenry NM&HS can all be accessed via the internet at the following websites. Hardcopies of the law, regulations and policy will be mailed on request. See contact information on the cover of the prospectus.

#### *Exhibit 6. Websites*

<b>Document or Information</b>	<b>Website</b>
Concessions Management Improvement Act of 1998 (P.L. 105-391)	<a href="http://www.gpoaccess.gov/index.html">http://www.gpoaccess.gov/index.html</a>
NPS Concession Management Regulations – 36 CFR Part 51	<a href="http://www.gpoaccess.gov/index.html">http://www.gpoaccess.gov/index.html</a>
NPS Management Policies, Chapter 10 – Commercial Visitor Services	<a href="http://www.nps.gov/policy/MP2006.pdf">http://www.nps.gov/policy/MP2006.pdf</a>
Fort McHenry National Monument and Historic Shrine	<a href="http://www.nps.gov/fomc">http://www.nps.gov/fomc</a>
The National Park Service	<a href="http://www.nps.gov/">http://www.nps.gov/</a>