

# National Park Service



## Preferred Offeror Competitive Landscape

Concessions Management Advisory Board  
March 7, 2007

# WASO Concession Program



The 1998 Concessions Act gave special consideration to concessioners grossing less than \$500,000 annually and 'Guides and Outfitters' via a *Preferred Offeror Designation*



- Does not provide for sole-source awards of contracts
- Does give the *Preferred Offeror* the opportunity to match the terms and conditions of the highest scoring proposal if it submits a responsive proposal for the concessions contract
- Concession Management Regulations, 36 CFR Part 51, Subpart F--Determining a Preferred Offeror, i.e., Sections 51.36 through 51.44 defines all of the requirements for the *Preferred Offeror* designation

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The *Preferred Offeror* designation has resulted in little competition for "*Preferred Offeror*" contracts. The vast majority have no competition.



## Preferred Offeror Contracts\*

BISO002 (2 Proposals)	EISE001 (1 Proposal)	GRCA022 (1 Proposal)
BOST002 (1 Proposal)	GLAC003 (3 Proposals)	GRCA024 (2 Proposals)
BUIS001 (1 Proposal)	GLAC006 (1 Proposal)	GRCA025 (1 Proposal)
BUIS006 (1 Proposal)	GLAC010 (1 Proposal)	GRCA026 (1 Proposal)
BUIS008 (1 Proposal)	GRCA006 (1 Proposal)	GRCA028 (1 Proposal)
BUIS014 (1 Proposal)	GRCA007 (1 Proposal)	GRCA029 (1 Proposal)
BUIS019 (1 Proposal)	GRCA010 (1 Proposal)	GRCA024 (1 Proposal)
BRCA002 (1 Proposal)	GRCA011 (1 Proposal)	JEFF002 (1 Proposal)
CACO004 (1 Proposal)	GRCA015 (1 Proposal)	LACH002 (1 Proposal)
CANY031 (1 Proposal)	GRCA016 (1 Proposal)	MORA001 (2 Proposals)
CANY032 (1 Proposal)	GRCA017 (1 Proposal)	MORA004 (1 Proposal)
CANY033 (1 Proposal)	GRCA020 (1 Proposal)	NACE003 (1 Proposal)
CANY034 (1 Proposal)	GRCA021 (1 Proposal)	TICA001 (1 Proposal)
CANY035 (1 Proposal)		

Average = 1.1 Proposals  
per Contract

## Fully Competitive Contracts\*

CAVE001 (5 Proposals)  
FOSU001 (2 Proposals)  
GRCA002 (7 Proposals)  
MORA005/006 (2 Contracts – 5 Proposals total)

Average = 3.8 Proposals  
per Contract

\* Includes all Proposals received since 1/1/2006 from six of our seven regions (Alaska Region data excluded because the data is not comparable to this data set because of a unique, additional state-specific preferential right that does not exist nationally)

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All four *“Preferred Offeror”* contracts with competition were retained by the incumbent concessioner. In two cases, a challenger scored higher in the evaluation but the incumbent matched the terms of the better offer to retain the contract.



	GLAC003	MORA001	GRCA024	BISO002
Proposals Received	3	2	2	2
Highest Score	Challenger	Challenger	Incumbent	Incumbent
Incumbent Matched Terms?	Yes	Yes	Unnecessary	Unnecessary
Incumbent Retained Contract?	Yes	Yes	Yes	Yes
Current Status of Contract	Awarded	Awarded	Selected and Announced (Award soon)	Awarded

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**For each contract, the proposed fees and associated points were not the deciding factor. However, the challengers did offer higher franchise fees. The proposed fees were not the deciding factor for two primary reasons:**

- 1) To have a possibility to secure a contract, challengers realize that they need to compete well across all selection factors to make it difficult for an incumbent to match the terms of their offer.
- 2) Franchise fees are not heavily weighted in the evaluation. Factor 5 is only worth a total of 4 points out of a maximum total of 24 to 30 points

Selection Factor	Topic	Points
Primary Selection Factor 1	Protecting, Conserving, and Preserving Park Resources	0-5
Primary Selection Factor 2	Providing Necessary and Appropriate Visitor Services at Reasonable Rates	0-5
Primary Selection Factor 3	Concessioner Experience Providing Same or Similar Services	0-5
Primary Selection Factor 4	Financial Capability of Concessioner to Carry Out Its Proposal	0-5
Primary Selection Factor 5	Franchise Fee	0-4
Secondary Selection Factors	If used, SSF1 has environmental focus. Additional questions are more flexible (but not related to Franchise Fee).	0-6 (if used (per regulations))

Total 24 to 30 Points



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To drive this point home let's look in detail at the GLAC003 contract. As shown below the challenger scored higher even if the score of Primary Selection Factor 5 was eliminated.



Selection Factor (SF)	Incumbent Score	Challenger Score*	Elements Proposed by Challenger that Incumbent Matched to Retain the Contract
Primary SF 1	3.5	3	
Primary SF 2	3.5	4	<ul style="list-style-type: none"> <li>▪ train employees in Wilderness First Aid,</li> <li>▪ provide SEI (or equivalently) approved helmets in large enough quantity of each size to ensure availability for all riders,</li> <li>▪ provide a wide variety of saddles to accommodate various size guests (e.g. children and oversized guests), and</li> <li>▪ maintain an equipment log to document the condition of all "routine" equipment and use this documentation to ensure all equipment meets high standards of performance.</li> </ul>
Primary SF 3	4	4	
Primary SF 4	3	4	
Primary SF 5	1	4	<ul style="list-style-type: none"> <li>▪ agree to pay a franchise fee of twenty percent (20%) or five hundred dollars (\$500), whichever is greater</li> </ul>
Secondary SF 1	2.5	3	
Secondary SF 2	1	2	<ul style="list-style-type: none"> <li>▪ commit to providing 1,400 hours of trail work annually</li> </ul>
Secondary SF 3	1	0.5	
<b>TOTALS</b>	<b>19.5</b>	<b>24.5</b>	

\* Score shown for highest scoring proposal. Score for third proposal received totaled 12.75 and is not presented

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## Thoughts for Preferred Offerors

- Follow Proposal Instructions carefully. You need to submit a responsive proposal to be able to even have the opportunity to match the terms of a higher scoring proposal.
- Recognize that you only have to match elements of a better offer to retain your contract if the challenger scores higher than you on an overall basis.
- Prepare your proposal as if you expect competition
- Prepare quality responses to all Selection Factors. Answer every question.
- Don't assume that the evaluation panel knows anything about you just because you have operated in the park for many years. Chances are that no one on the panel will be very familiar with your company. They will be evaluating you solely based on your proposal.
- Challenge yourself to identify new and improved ways of operating. Your competition will be looking at the operation with a fresh set of eyes.



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