

Use Code 141

**Prospectus for Campground and  
Related Granger-Thye Concessions  
Cleveland National Forest**

**U.S. DEPARTMENT OF AGRICULTURE  
Forest Service**

**October 12, 2012**



## **Table of Contents**

### **I. Business Opportunity**

- A. Introduction
- B. Area Description
- C. Description of Developed Recreation Sites and Facilities
- D. Government-Furnished Property
- E. Government-Furnished Supplies
- F. Utilities and Waste Management

### **II. Forest Service Concession Program and Policies**

- A. National Recreation Reservation Service (NRRS)
- B. Pass Discounts
- C. Camp Stamps
- D. Site Closures
- E. Reserved Administrative Use
- F. Applicable Forest Orders
- G. Fee Tickets and Compilation of Use and Revenue Data
- H. Customer Service Comment Cards
- I. Performance Evaluations
- J. Accessibility
- K. Camping Unit Capacity
- L. Stay Limit
- M. Fees Charged to the Public
- N. Law Enforcement
- O. Other Pertinent Information

### **III. Special Use Permit**

- A. Permit Term
- B. Permit Holder Responsibilities
- C. Granger-Thye Fee Offset Agreement
- D. Insurance
- E. Bonding

### **IV. Application**

- A. Instructions for Submitting Applications
- B. General Terms, Qualifications, and Reservations
- C. Application Package Requirements
- D. Evaluation of Applications

## **V. Post-Selection Requirements**

### **Appendices**

- Appendix 1: Vicinity and Area Maps
- Appendix 2: Maps of Developed Recreation Sites
- Appendix 3: Inventory of Government-Furnished Property
- Appendix 4: Applicable Forest Orders
- Appendix 5: Sample Use Report
- Appendix 6: Sample Customer Service Comment Card
- Appendix 7: Standard Performance Evaluation Form
- Appendix 8: FSM 2342.1, Exhibit 01, Law Enforcement at Concession Campgrounds
- Appendix 9: Sample Annual Operating Plan
- Appendix 10: FS-2700-4h, Special-Use Permit for Campground and Related Granger-Thye Concessions, and FS-2700-4h, Appendix-F, Operation of Federally Owned Drinking Water Systems
- Appendix 11: FS-2700-4h, Appendix B, Granger-Thye Fee Offset Agreement
- Appendix 12: Potential Government Maintenance, Reconditioning, Renovation, and Improvement Projects
- Appendix 13: Indirect Cost Reimbursement Letter
- Appendix 14: FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification
- Appendix 15: Sample Collection Agreement for Granger-Thye Fee Offset Work
- Appendix 16: FS-6500-24, Financial Statement
- Appendix 17: FS-6500-25, Request for Verification

## **VI. Pertinent Materials (Available Upon Request)**

- “Cleaning Recreation Sites” (USDA-Forest Service)
- “In Depth Design and Maintenance Manual for Vault Toilets” (USDA-Forest Service)

## **I. Business Opportunity**

### **A. Introduction**

This prospectus is being issued to solicit applications for a concession campground special use permit. A permit to provide high-quality public service in the operation and maintenance of Government-owned recreation facilities located on the Descanso Ranger District, Cleveland National Forest, will be issued. The permit or permits will include the following developed sites:

- Laguna Campground
- Burnt Rancheria Campground

The authorized officer for this business opportunity is the Forest Supervisor for the Cleveland National Forest, 10845 Rancho Bernardo Rd., #200, San Diego CA, 92127.

The current permit for this concession expires on December 31, 2012. Over the past three years, this concession has generated the following gross revenues:

<u>Year</u>	<u>Gross Revenue</u>
2009	\$249,743
2010	\$262,711
2011	\$290,746

### **B. Area Description**

The Descanso Ranger District is located in the southeastern portion of San Diego County in southern California. The Laguna Mountain Recreation Area, located above 5,500 feet, is primarily covered by black oaks, pines, and montane meadows. The Sunrise Highway, a National Scenic Byway, bisects Laguna Mountain Recreation Area, providing year-round access.

The Cleveland National Forest provides year-round recreational opportunities due to the area's mild climate. The major season of use is from May 15 through October 30. Recreational activities in the Laguna Mountain Recreation Area include camping, hiking, mountain biking, picnicking, driving along the Sunrise Scenic Byway, hang gliding, and horseback riding. If it snows during the winter, residents of San Diego, Imperial Counties and Mexico flock to Laguna Mountain for the day. The Pacific Crest Trail and Noble Canyon National Recreation Trail cross through Laguna Mountain Recreation Area.

Laguna Mountain Recreation Area is easily accessible to the populations of San Diego, Riverside, Orange, and Imperial Counties. Some people travel from as far away as Arizona and Mexico to enjoy the mountain setting. Most visitors come from within a 2-to-3-hour driving radius.

The two campgrounds listed in this offering are accessible via paved County Highway (Sunrise Highway) and are less than 15 miles from Interstate 8 (*see* Appendix 1 of the prospectus).

### **C. Description of Developed Recreation Sites and Facilities**

The following is a description of each developed recreation site included in this prospectus (*see* Appendix 2 of the prospectus).

The Government-Furnished Property list provides a detailed listing of facilities at each area. Use fee may be charged at both Burnt Rancheria Campground and Laguna Campground. None of the campgrounds currently have electrical or water hookups at the individual campsites, except hosts sites. All campground roads and spurs are paved unless otherwise indicated. Both campgrounds are equipped with both vault and flush toilets.

There are no recreation vehicle dump stations at either of the campgrounds. The closest dump station is at a rest station located on Interstate 8 at the Buckman Springs exit.

Applicants must submit an application for both campgrounds. Applicants are strongly encouraged to visit both of the campgrounds at least once before submitting an application. Maps including the location of the facilities are included in Appendices 1 and 2.

### **Burnt Rancheria Campground**

This campground is located in San Diego County, approximately 60 miles east of San Diego, California. To get there, take Interstate 8 east past Pine Valley, and exit at Laguna Mountain Recreation Area, Sunrise Highway (S-1). Take Sunrise Highway north 9 miles to the Burnt Rancheria Campground entrance.

Burnt Rancheria Campground was listed in the May 1997 issue of *Sunset Magazine* as one of the top 100 campgrounds in the West.

Burnt Rancheria has 106 camping units with fire rings and picnic tables: 27 camping units are designed for 2 vehicles and a tent (the parking spurs are less than 30 feet long); 48 camping units have paved parking spurs between 30 and 39 feet long; 27 camping units have paved parking spurs between 40 and 49 feet long; and 4 camping units have parking spurs that are longer than 50 feet. In addition, there are two host sites, and a double site, equipped with electrical, water, and sewage hookups and telephone service. There are two large storage sheds located at the hosts sites for storing equipment. There is an amphitheater that seats approximately 75 people. There are no audiovisual facilities at the amphitheater. A Saturday evening interpretive program presented by the Laguna Mountain Volunteer Association is presented from Memorial Day weekend through Labor Day weekend has proven to be extremely popular and has been well-attended.

The interior campground roads and spurs are paved. There are three flush toilets, five pit toilets, and one coin operated shower. There are 12 large bins located throughout the campground for garbage collection and disposal. A local disposal company has serviced these garbage bins. Located within the campground are 10 recycle bins. The recycle program is managed by a local Forest Service volunteer group.

The Forest Service received funding through the Capital Improvement Program to replace some of the vault toilets and install two additional flush toilet buildings and the coin operated shower building. In addition, seven campsites, the main host site, the amphitheater and the fee information station have all been made accessible. This work was completed over the past several years.

The average operating season for Burnt Rancheria Campground has been May 15 through October 31. At a minimum, the Forest Service will expect the permit holder to operate the campground fully from May 15 through October 31. During the years of 2011 and 2012 the Burnt Rancheria campground has been open in mid-April.

## **Laguna Campground**

This campground is located in San Diego County, approximately 65 miles east of San Diego, California. To get there, take Interstate 8 east past Pine Valley, and exit at Laguna Mountain Recreation Area, Sunrise Highway (S-1). Take Sunrise Highway north 15 miles to the Laguna Campground entrance.

In 2008 Laguna Campground was selected as one of America's top 100 Family Campgrounds.

Laguna Campground has 103 camping units with fire rings and picnic tables: 30 camping units are designed for 2 vehicles and a tent (the parking spurs are less than 30 feet long); 43 camping units have paved parking spurs between 30 and 39 feet long; 21 camping units have paved parking spurs between 40 and 49 feet long; and 9 camping units are wider than 50 feet. Site 65 has been reconstructed to be fully accessible. Sites 5, 6, and 8 are within habitat for the Laguna Skipper. Occupancy in these sites is limited to 2 people per site.

There is an amphitheater that seats approximately 100 people, with a projector stand with electrical hook-up, stage, and projection screen. A Saturday evening interpretive program, presented Memorial Day weekend through Labor Day weekend, has proven to be extremely popular and has been well-attended.

There are two host sites equipped with electrical, water, and sewage hookups. The host sites also have two storage sheds for storage of needed campground equipment.

The interior campground roads and parking spurs are paved. There are two flush toilet and shower buildings constructed in 1994. Each building has two flush toilet units and two coin-operated shower units and is fully accessible. There are seven vault toilets in the campground and one converted flush toilet building. Some water hydrants at Laguna Campground are designed for year-round use.

There are ten large bins located throughout the campground for garbage collection and disposal. A local disposal company has serviced these garbage bins. Located within the campground are two recycle bins. The recycle program is managed by a local Forest Service volunteer group.

At least two loops and two toilets have remained open year-round at Laguna Campground, with a campground host on site to protect the facilities from vandalism and to provide public assistance. As a minimum, the Forest Service will expect the permit holder to operate one loop and two toilets year-round at Laguna Campground, with a campground host on site.

Through funding provided by the Sunrise Powerlink Project the Laguna Campground will be renovated and improved over the next several years. While the specifics of the renovation have not been detailed out yet, there may be times when part or the entire campground would be closed for construction work. These details will be provided when appropriate.

**Characteristics of Developed Recreation Sites**

Site	<b>Burnt Rancheria Campground</b>	<b>Laguna Campground</b>
Communications	Cell phone signal on Mount Laguna	Cell phone signal on Mount Laguna
Utilities	Water, electricity, and septic holding tank at each host site	Water, electricity, and septic holding tank at each host site
Drinking Water	Provided by the Forest Service Laguna Mountain water system	Provided by the Forest Service Laguna Mountain water system
Toilet/Shower Type	1 4-riser flush toilet bldg. 1 4-riser flush toilet bldg. with 4 shower units 1 2-riser converted flush toilet bldg. with 5 2-riser CXT vault toilets	2 2-riser flush toilet bldgs. with 2 shower units 1 2-riser converted flush toilet bldg. 3 2-riser vault toilet bldgs. 4 4-riser vault toilet bldgs.
Toilet Vault Capacity	500-1,000 gallons	500-1,000 gallons
Forest Service Trash Bins	None	None
Recycle	10 recycle bins collected by volunteer group	2 recycle bins collected by volunteer group
Trash Bin Type	12 dumpsters provided by contractor	12 dumpsters provided by contractor
Accessibility	5 sites	<u>Currently</u> : 1 site, additional sites with upcoming improvements
Elevation	5,500 feet	5,500 feet
Number of Camping Units	106 sites, 4 host sites and a double host site	103
2011 Fee Per Camping Unit	\$20.00	\$20.00
2012 Fee Per Camping Unit	\$20.00	\$20.00
Minimum Operating Season	May 15–October 31	Year-round season for at least one loop and two toilets, with on-site host
Three-Year Average Gross Revenue (2009-2011)*	\$ 106,100.74	\$ 161,633.13

\* This figure is before taxes and does not include revenue from coin operated showers or fire wood sale

**D. Government-Furnished Property**

The Forest Service will provide certain property in conjunction with the concession campground special use permit (*see* Appendix 3 of the prospectus). Included in this inventory are a description, the quantity, and the estimated replacement cost of the applicable property.

## E. Government-Furnished Supplies

The Forest Service will not furnish any supplies for day-to-day operation of the concession. Government-furnished supplies will be limited to those necessary for programmatic consistency, including:

- Forms to report use and revenue.
- A copy of the Forest Service publications, “Cleaning Recreation Sites,” “In-Depth Design and Maintenance Manual for Vault Toilets,” and “Vault Toilet Pumping Contract Specifications and Guidelines for Preparing Contracts.”
- A copy of “Recreation Opportunity Guides,” which the holder may reproduce at its expense.
- Title VI signs.

## F. Utilities and Waste Management

Certain utilities and infrastructure exist for the developed recreation sites identified in this prospectus. The permit holder will be responsible for securing, managing, and paying for these utilities. Applicants should contact current service providers to obtain estimated costs for the utilities. These utilities include:

### **Electrical**

San Diego Gas and Electric (SDG&E) has provided electrical service to both campgrounds through the use of five electrical meters.

### **Telephone**

There is telephone service available for both campground host sites in Burnt Rancheria Campground and the host site at the entrance to Laguna Campground. Pacific Bell is the current provider. There is cell phone service available at certain spots on Mount Laguna. Most carriers provide service on Mount Laguna.

### **Propane**

The hot water heaters in campground shower and toilet buildings are fueled by propane. There is a concrete pad for a 500-gallon propane tank by each building. There are a few suppliers of propane. The previous provider was Proflame, Inc.

### **Water**

Water at both campgrounds is provided by a 20,000-gallon tank and distribution system with hydrants located throughout the campgrounds. The permit holder is required to operate and maintain the water system for both campgrounds in compliance with applicable federal, state and local laws and regulations for the operation and maintenance of a public drinking water system.

The campground concession permit holder will be required to pay the Forest Service a prorate share for the operation and maintenance of this water system. The Forest Service proposes to collect the fee for this service through a separate Collect Agreement. During the operating season of 2011 the current concessionaire paid \$6,485 into this collection agreement.

The Forest Service will provide technical assistance in the first year start-up and close-down of the water system within the campgrounds. The Forest Service will also be responsible for the operation and maintenance of the water stem up to the campground boundaries. The permit holder will be responsible for the operation and maintenance of the water system within the campground boundaries. The Forest Service will conduct all drinking water tests (microbiological, contaminant, chemical, and public notification) in accordance with Federal, state, and county requirement.

The permit holder must take prompt and appropriate action to correct any deficiencies within the campgrounds that may be causing unsatisfactory test results. If these water systems do not meet water quality standards at any time, the system (or appropriate portion of the system) will be closed until corrective action can bring the system into compliance.

### **Garbage**

The permit holder will be responsible for garbage removal at both sites. The previous provider was Pacific Waste Services.

### **Liquid and Solid Waste Disposal**

The permit holder is responsible for pumping all vault toilets and septic systems at the developed recreation sites. The previous provider was Atlas Pumping Service.

## **II. Forest Service Concession Programs and Policies**

Government-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 U.S.C. 580d, and implementing regulations at 36 CFR Part 251, Subpart B.

In addition, there are certain Forest Service programs and policies that apply to campground concession. All applications must be consistent with these requirements.

### **A. National Recreation Reservation Service (NRRS)**

The Cleveland National Forest participates in the NRRS, which provides nationwide, toll-free telephone reservations for single-family or group camping sites, rental cabins, and other recreational facilities. Visitors pay the camping fee at the time they make a reservation, and no fees are collected at the site (although the permit holder may allow occupancy of any site in the NRSS that is unreserved and charge on site for that use). The current NRRS contractor is ReserveAmerica, 40 South St., Ballston Spa, New York 12020. Contact information for the NRSS follows.

John Cameron  
Forest Service Contracting Officer's Technical Representative  
Telephone: (805) 523-8589  
Email: [jhearmeron@fs.fed.us](mailto:jhearmeron@fs.fed.us)  
Facsimile: (850) 523-8505

ReserveAmerica Inc.  
2480 Meadowvale Boulevard, Suite 120  
Mississauga, Ontario  
Canada L5N 8M6  
Inventory Help Desk: (877) 345-6777  
Customer Service: (888) 448-1474  
Email: [nrrs-inventory@reserveamerica.com](mailto:nrrs-inventory@reserveamerica.com)  
Facsimile: (888) 742-5520

The NRRS is the only authorized reservation system for Forest Service developed recreation sites, including campgrounds, cabins, and group use areas. The Forest Service contract for the NRRS prohibits campground concession permit holders from using any other reservation system, establishing their own reservation system, or reserving campsites other than through the NRRS. Applicants may recommend adding sites to or deleting sites from the NRRS or changing the number of sites that may be reserved, the minimum number of days per reservation, or the location of sites that may be reserved. The permit holder also may make these recommendations during the term of the permit. The authorized officer will decide whether to accept or reject the recommendations.

Under the NRRS, the following guidelines must be followed, unless there are compelling operational reasons:

1. For each developed recreation site included in the NRRS, at least 60 percent of the units must be available for reservations. The rest of the units may be occupied on a first-come, first-served basis.

- Reservation windows vary by type of site and are as follows:

Individual campsites: from 240 to 4 days prior to arrival date.

2. When the NRRS is utilized, the permit holder is responsible for on-site administration and will be required to:

- Obtain daily arrival reports (DARs) from the NRRS contractor each morning by establishing at least one central facsimile location, email address, or other means of obtaining and distributing DARs.
- Develop a system for posting reservations at the sites so other visitors know which units are reserved.
- Post and hold reserved sites for 24 hours.
- Ensure that the party with the reservation is the party using the site.

- Resolve any disputes over the use of reserved sites by drop-in campers.
- Verify that visitors hold a Golden Age or Golden Access Passport or the America the Beautiful–National Parks and Federal Recreational Lands Pass (ATB Pass) authorized under the Federal Lands Recreation Enhancement Act (REA), 16 U.S.C. 6801-6814, before giving the discount on fees for those passes (*see* section II.B).
- Develop inventory data for sites being added to the NRRS, and update data for sites currently in the NRRS (including fees charged the public and temporary site closures). Submit data to the NRRS at least annually for data updates.
- Communicate to the NRRS any emergency closures or other relevant operational changes as they occur.
- Approve customer refunds as appropriate, and process them through the NRRS. NRRS refund policies can be found at <http://www.reserveusa.com/jsp/homepage.jsp?goto=/home/policies.html>

Because reservations can be made up to 240 days in advance for family sites, the NRSS is currently accepting reservations for the 2013 operating season. Fees received by the NRSS for reservations after December 31, 2012, will be held by the Forest Service and distributed following issuance of a special use permit to the successful applicant. In the final year of the permit, fees will be held in the same manner until a new permit is issued. The permit holder will honor reservations made prior to issuance of the permit at the price in effect when the reservations were made.

## B. Pass Discounts

The permit holder must provide a 50 percent discount on recreation fees charged under REA at developed recreation sites covered by this prospectus to holders of Golden Age and Golden Access Passports, as well as holders of the Interagency Senior and Access Passes.

Specifically, holders of these passes are entitled to a 50 percent discount on the fee for a single campsite occupied by the pass holders. The pass holders are not entitled to a discount on the fee for a multiple-family campsite, or any additional campsites occupied by those accompanying the pass holders. The 50 percent campsite discount does not include utility, water, or any other hookup fees.

Any loss of fee revenue from honoring the passes should be factored into applicants' bids.

The permit holder will not be required to offer discounts on camping to holders of the Annual or Volunteer Pass.

## C. Camp Stamps

Camp stamps must be honored at their face value and submitted to the authorized officer for reimbursement.

## D. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair; construction; floods, snow, extreme fire danger, other natural events; wildlife protection; or risks to public health and safety. The Forest Service shall not be liable to the permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

During the length of the concessionaire permit parts of the Laguna Campground might be closed for reconstruction. At this point it is unclear to the length of time a closure will be in place or the number of sites a closure would affect.

## E. Administrative Use

If the Forest Service requires the permit holder to provide a service for the agency, the permit holder will be compensated for that use.

## F. Applicable Forest Orders

Forest Orders may be issued to address a variety of management concerns on a particular forest. Sample orders related to the offering are identified in Appendix 4. Additional applicable forest orders may be issued in the future.

## G. Fee Tickets and Compilation of Use and Revenue Data

The permit holder must provide fee tickets to visitors that include at least the following information:

- The site number and total amount paid.
- The date of issuance and number of days paid for.
- If a pass is used, the pass number.
- The number of people in the group.
- The number of vehicles and their license plate numbers.

The permit holder must provide use and revenue data and usage data to the Forest Service (*see* Appendix 5 of the prospectus for a sample use report). Use reports must be completed monthly and at the end of the operating season for each developed recreation site, provided that when the holder performs GT fee offset work in lieu of paying the land use fee in cash, use reports may be submitted quarterly, rather than monthly. At a minimum, monthly and year-end use reports must include:

- The total number of units occupied based on daily counts.
- The total number of people based on daily counts.
- The percentage of occupancy by month.
- Total recreation fee revenue.
- Total fee revenue for other goods and services.
- The total number of Camp Stamps collected.

- The total number of passes used.

In addition, year-end use reports must include:

- Total fee revenue collected under the NRRS.
- Total taxes paid.
- Total gross revenue.
- Total net revenue.

## H. Customer Service Comment Cards

The permit holder must provide a customer service comment card to visitors at each developed recreation site (*see* Appendix 6 of the prospectus).

## I. Performance Evaluations

At a minimum, the Forest Service will perform a year-end performance evaluation within four months of the close of the operating season (*see* Appendix 7 of the prospectus). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Sustained satisfactory performance is required for a permit extension.

## J. Accessibility

The Architectural Barriers Act of 1968 (ABA) and Section 504 of the Rehabilitation Act of 1973 require new or altered facilities to be accessible, with few exceptions. In 2004, the Architectural and Transportation Barriers Compliance Board (Access Board) issued revised accessibility guidelines for buildings and facilities subject to the ABA and the Americans with Disabilities Act (ADA). These new guidelines are called the ADA/ABA Accessibility Guidelines. In 2006, the Forest Service issued the Forest Service Outdoor Recreation Accessibility Guidelines (FSORAG). The FSORAG addresses types of recreational facilities, including developed recreation sites, which are not covered by ADA/ABA Accessibility Guidelines.

Any Government maintenance, reconditioning, renovation, or improvement (*see* section III.C) must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG.

The FSORAG and the ADA/ABA Accessibility Guidelines are posted on the Forest Service's website at <http://www.fs.fed.us/recreation/programs/accessibility>. Questions regarding ADA/ABA Accessibility Guidelines may be referred to the Access Board at [www.access-board.gov](http://www.access-board.gov). Questions regarding the FSORAG may be referred to the accessibility coordinator for the local National Forest.

The permit holder is responsible for ensuring effective communication with visitors with disabilities, including persons with impaired vision or hearing, so that all visitors may obtain information on accessible services, activities, and facilities.

## K. Camping Unit Capacity

### **Number of Vehicles per Camping Unit**

A single-family camping unit may accommodate one vehicle. A “vehicle” is defined as any motorized conveyance, except that for purposes of vehicular capacity, two motorcycles are considered one vehicle. Additional vehicles may be allowed at a camping unit, if the camping unit can safely accommodate them. When extra vehicles are allowed, an extra fee of up to 50 percent of the camping unit fee may be charged for each extra vehicle. If an extra vehicle exceeds the camping unit capacity (i.e., the extra vehicle causes a safety hazard or resource damage), the customer may be required to pay for an additional camping unit or park in an overflow parking area, if available. One towed vehicle per single camping unit will be allowed for no extra charge if it can be parked completely on the surfaced area and does not create a safety hazard. Examples of towed vehicles include a boat trailer or a car towed by a motor home.

#### L. Stay Limit

Campers at overnight sites will be limited to a 14-day stay limit during any consecutive 30 day period.

#### M. Fees Charged to the Public

The permit holder may charge the public fees only to the extent that the Forest Service can charge recreation fees under REA. All recreation fees must be specified per developed recreation site. The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- Dispersed areas with low or no investment, unless specifically authorized by REA.
- Persons who are driving through, walking through, boating through, horseback riding through, or hiking through NFS lands without using the recreational facilities and services for which a fee is charged.
- Camping at undeveloped sites that do not provide the minimum number of facilities and services prescribed by REA.
- Use of overlooks or scenic pullouts.
- Travel by private, noncommercial vehicle over any national parkway or any road or highway in the Federal-aid System that is commonly used by the public as a means of travel between two places, either or both of which are outside an area in which recreation fees are charged.
- Travel by private, noncommercial vehicle, boat, or aircraft over any road, highway, waterway, or airway to any land in which the person traveling has a property right, if the land is in an area in which recreation fees are charged.
- Any person who has a right of access for hunting or fishing privileges under a specific provision of law or treaty.

- Any person who is engaged in the conduct of official federal, state, tribal, or local government business.
- Special attention or extra services necessary to meet the needs of the disabled.

## N. Law Enforcement

Forest Service Manual (FSM) 2342.1, Exhibit 01, addresses the law enforcement authorities and responsibilities of concessionaires, state and local law enforcement agencies, and the Forest Service at concession campgrounds. *See* Appendix 8 of the prospectus.

## O. Other Pertinent Information

### **Wildlife Mitigation**

In Laguna Campground, two species of biological significance are known. Meadow Foam, a state-listed endangered plant, is present in Meadow Loop. In 1996 four campsites were relocated and a fence installed around a portion of significant habitat. The permit holder will be required to maintain the fence and discourage use within this fenced enclosure.

### **Endangered Species**

The Laguna Skipper, an endangered species of butterfly, has been observed near Meadow Loop. The permit holder will be required to work with the Forest Service to inform campground users about this species and the protection of its habitat (*see* Appendix 9 of the prospectus). The permit holder will have to include this information in the annual operating plan for the permit.

### **Archaeological Resources**

An archaeological site has been identified in Laguna Campground. This archaeological site is less than five acres in size and impacts two camping units. The Forest Service will provide a site map to the permit holder so that the holder can protect the site from disturbance. The permit holder will have to coordinate any projects within the archaeological site with the Forest Service before any work is started. The permit holder will have to notify Forest Service law enforcement personnel immediately of any unauthorized disturbance of the site.

### **Condition of Trees**

The oak and pine stands within the campgrounds are mature to over-mature. During the past few years, the trees have experienced heavy damage from wind, snow, dwarf mistletoe, the Gold Spotted Oak Bore beetle, and sudden limb drop. Big oaks that look healthy on the exterior may contain rotten cores and can drop a heavy limb without any warning.

### **Hazard Tree Removal**

The Forest Service will have to conduct pre-season inspection of the campgrounds to identify existing and potential hazards, including hazard trees. The permit holder also will be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the authorized officer, the permit holder's financial responsibility for removing

hazard trees and associated slash. The annual operating plan will address appropriate disposal of hazard trees and slash.

### **Butane and Propane Installations**

For safety and regulatory reasons, the permit holder is not allowed to install or store bulk butane or propane.

## **III. Special Use Permit**

In exercising the rights and privileges granted by the special use permit, the permit holder must comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

### **A. Permit Term**

The permit term will be for up to 5 years, with an option to extend the term for up to an additional 5 years at the sole discretion of the authorized officer. The decision to extend the term will depend, in part, on sustained satisfactory performance of the permit holder. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the authorized officer and will be subject to a competitive offering. A new prospectus will be issued during the final year of the permit term.

If the decision to select a permit holder is appealed, a permit will not be issued until the appeal has been resolved, unless operation is needed during the appeal, in which case a permit with a term of one year or less may be issued.

### **B. Permit Holder Responsibilities**

This section highlights the requirements of the special use permit, which is contained in Appendix 10 of the prospectus. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

#### **Responsibility for Day-to-Day Activities**

As a general rule, the holder will be required to conduct the day-to-day activities authorized by the permit. Some, but not all, of these activities may be conducted by someone other than the permit holder, but only with the prior written approval of the authorized officer. The permit holder will continue to be responsible for compliance with all the terms of the permit.

#### **Permit Holder-Furnished Supplies and Equipment**

The permit holder will be required to provide all vehicles, equipment, and supplies necessary to operate the authorized developed recreation sites in accordance with the special use permit.

## **Holder-Furnished Vehicles**

The permit holder may not use all-terrain vehicles, motorcycles, or motorbicycles in the campgrounds. The holder may propose use of golf carts or other similar vehicles to facilitate daily maintenance of the facilities. If authorized, carts must stay on designated roads or trails while driving between sites or loops.

## **Holder Maintenance, Reconditioning, or Renovation (MRR)**

Maintenance, reconditioning, and renovation are defined in the permit (FS-2700-4h, clause IV.E.1(a), (c)). Holder MRR is defined as maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. In fulfilling these responsibilities, the holder must obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation (FS-2700-4h, clause IV.E.1(d)). The permit holder, at its expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4h, clause II.D). The holder MRR plan will describe required holder MRR and its frequency. The holder MRR plan will become part of the permit holder's annual operating plan.

## **C. Granger-Thye Fee Offset Agreement**

The federal government owns all the improvements at the developed recreation sites covered by this prospectus. Under Section 7 of the Granger-Thye (GT) Act and the terms of the permit, the permit fee may be offset in whole or in part by the value of Government maintenance, reconditioning, renovation, and improvement (MRRI) performed at the permit holder's expense. Government MRRI is defined as maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. *See* Appendix 10 of the prospectus and FS-2700-4h, clause IV.E.

All Government MRRI shall be enumerated in an annual GT fee offset agreement signed by the holder and the Forest Service in advance of the operating season (*see* Appendix 11 of the prospectus and FS-2700-4h, Appendix 10). Alternatively, a multi-year fee GT fee offset agreement can be prepared for consolidated fee payments. A list of sample Government MRRI projects is included in Appendix 12 of the prospectus.

Either the holder or the Forest Service may perform GT fee offset work. This determination will be made annually. When the holder performs GT fee offset work, if it includes construction that costs more than \$2,000, it is subject to the Davis-Bacon Act and the fee offset agreement must contain Davis-Bacon Act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently approved indirect cost rate or accounting procedures and supporting documentation to determine an indirect cost rate (*see* Appendix 13 of the prospectus).

The holder's claims for GT fee offset must be documented using the FS-2700-4h, Appendix 10, Granger-Thye Fee Offset Certification Form (*see* Appendix 14 of the prospectus). This form requires the holder to itemize allowable costs incurred for an approved GT fee offset project and to certify the accuracy and completeness of claims.

When the Forest Service performs GT fee offset work, the holder will deposit fee payments into a CWFS account. The Forest Service will perform GT fee offset work under a collection agreement and offset those costs against the permit holder's annual permit fee (*see* FS-2700-4h, clause IV.E.3, and Appendix 15 of the prospectus). The Forest Service's indirect costs may be offset at the agency's approved rate. The Forest Service and the holder will agree on the work to be performed in advance of each operating season.

#### D. Insurance

##### **Liability Insurance**

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$1,000,000 for injury or death to one person per occurrence; \$2,000,000 for injury or death to more than one person per occurrence; and \$50,000 for third-party property damage per occurrence, or in the minimum amount of \$5,000,000 as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (*see* Appendix 10 of the prospectus and FS-2400-4h, clause III.I).

##### **Property Insurance**

Property insurance will be required for Laguna and Burnt Rancheria Campgrounds in the amount of \$5,000,000 for replacement in kind or functional replacement of the insured property (*see* Appendix 3, Inventory of Government-Furnished Property).

## **IV. Application**

### A. Instructions for Submitting Applications

Applicants must submit a written application for all developed recreation sites offered in this prospectus.

Applicants are strongly encouraged to visit the sites at least once before submitting an application (*see* Appendices 1 and 2, vicinity and area maps and maps of developed recreation sites).

The information in this prospectus is from reliable sources, but no warranty is made as to its accuracy. Each applicant is expected to make an independent assessment of the business opportunity offered in this prospectus.

All applications must be submitted to William Metz, Forest Supervisor, Attention: Spencer Bleadorn, 3348 Alpine Blvd, Alpine, CA 91901. Applications must be received by close of business (4:30 p.m.) on November 12, 2012.

Applicants must submit five copies of their application package and supporting documents.

Please ensure that all requested information is submitted. Missing or incomplete information will result in a lower rating for the corresponding evaluation criteria.

Applications must be signed. The person signing for an entity must have authority to sign for that entity. Applicants must include their address, telephone number, facsimile number, and email address.

Corporations also must include:

- Evidence of incorporation and good standing.
- If reasonably obtainable, the name and address of each shareholder owning 3 percent or more of the corporation's shares and the number and percentage of any class of voting shares that each shareholder is authorized to vote.
- The name and address of each affiliate of the corporation.
- If an affiliate is controlled by the corporation, the number of shares and the percentage of any class of voting stock of the affiliate owned, directly or indirectly, by the corporation.
- If an affiliate controls the corporation, the number of shares and the percentage of any class of voting stock of the corporation owned, directly or indirectly, by the affiliate.

Partnerships, limited liability companies (LLCs), associations, or other unincorporated entities must submit a certified copy of the partnership agreement or other documentation establishing the entity or a certificate of good standing under the laws of the state where the entity is located.

Applicants should contact Spencer Bleadorn at 619-445-6235 or [sbleadorn@fs.fed.us](mailto:sbleadorn@fs.fed.us) regarding any questions related to this prospectus.

## B. General Terms, Qualifications, and Reservations

All applicants have an equal opportunity to apply. Except for members of Congress, Resident Commissioners, and current Forest Service employees, any individual or entity may apply.

The Forest Service does not guarantee a profitable operation. Rather, applicants are responsible for reviewing the prospectus and making their own determination concerning business viability.

The Forest Service will select the application that offers the best value to the Government. The Forest Service reserves the right to select the successful applicant based on a trade-off between the fee to the Government and technical merit.

The Forest Service is not obligated to accept the application with the highest return to the Government.

The Forest Service reserves the right to select the successful applicant based solely on the initial application, without oral or written discussions.

The Forest Service reserves the right to reject any or all applications and to rescind the prospectus at any time before a special use permit is issued.

Any oral statement made by a representative of the Forest Service shall not modify the requirements of this prospectus. If it is determined that an error or omission has been made or additional information is required, a written amendment will be sent to each person or entity receiving a copy of this prospectus.

If there is a conflict between the terms of the prospectus and the special use permit, the terms of the permit will control.

The Forest Service is proposing a revision to FSM 2344.3 to address how passes and passports are honored in the concession program. The agency reserves the right to amend the special use permit consistent with any change to that directive. In addition, the Forest Service reserves the right to amend the special use permit, to make it consistent with applicable laws and regulations, including REA; other Forest Service directives; or other management decisions.

The information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

### C. Application Package Requirements

Applications must be in writing and must include or address the following:

- A proposed annual operating plan (including required and optional services).
- A business plan, business experience, references, and Small Business Development Center (SBDC) review fee, if applicable (*see* section IV.C.2).
- Financial resources.
- Fees charged to the public.
- Fee to the government.
- Initial processing fee.

#### **1. Proposed Annual Operating Plan (Including Required and Optional Services)**

Applicants must submit a proposed annual operating plan that addresses all required and optional services. Applicants must utilize the sample annual operating plan (*see* Appendix 9 of the prospectus) to organize their response to this section. The successful applicant's proposed operating plan will be attached to and become a part of the special use permit.

Applicants must specify whether another party will assist with any of the operational aspects of the concession, and if so, must include the other party's name, address, telephone number, email address, and relevant experience.

Below are highlights of what needs to be addressed in the proposed annual operating plan. For more detail, see the sample annual operating plan in Appendix 9 of the prospectus.

#### **Operating Season**

Applicants need to propose the period in which they will operate the sites listed in the prospectus. All sites must be open and operational seven days per week during the minimum

operating season, unless a Forest Service closure order is in effect. The Laguna Campground is open all year. The Burnt Rancheria Campground is required to be open from Memorial Day to Labor Day; however, over the past several years this campground has opened in April and closed in October. During the upgrading of the Laguna Campground there may be options for closing that campground in the winter and opening Burnt Rancheria Campground. This determination will be made at the time of construction.

### **Staffing**

Applicants must address appropriate staffing to meet customer service and cleanliness standards. The holder will be responsible for furnishing all personnel for the developed recreation sites and for adequately training and supervising their activities under the terms of the permit. The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Applicants should address worker hours and schedules. Applicants also should address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

### **Supervision and Management**

Applicants must designate an individual to serve as the agent of the holder for purposes of administration of the permit by the Forest Service. The designated agent must periodically review attendant performance on site and must be available to resolve repair needs within 24 hours of discovery or notification. The holder will be responsible for the conduct of its employees, including preventing conduct prohibited by 36 CFR part 261, Subpart A, and ensuring that employees are not under the influence of intoxicating beverages or narcotic drugs while on duty or representing the holder. Applicants also must include a policy for removing employees who engage in inappropriate conduct.

### **Uniforms and Vehicle Identification**

Applicants should describe employee uniforms, insignia, name tags, and the applicants' policy for ensuring a clean, professional appearance by staff while on duty. The holder's employees may not wear any component of the Forest Service uniform. Additionally, applicants should address their policy for vehicle maintenance and appearance; types of vehicles to be used for operations (vehicles may not be driven off designated roads or trails); and signage to identify the concessionaire to the public.

## **2. Business Plan, Business Experience, and References**

Applicants must submit a business plan. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

Applicants must furnish a detailed description of their experience relating to operating and maintaining developed recreation sites (*e.g.*, campgrounds, beaches, and marinas). The description must include experience in private business, public service, or any nonprofit or other related enterprises. Applicants are encouraged to contact their local SBDC if they need assistance in completing their business plans. Alternatively, applicants who have already received a review of their business plan from an SBDC or the Forest Service for the current fiscal year may submit a copy of the review report.

## **SBDC Review**

All business plans will be independently reviewed by an SBDC. Applicants are required to submit five copies of their business plan. If an applicant's current fiscal year business plan has already been reviewed by an SBDC, the applicant may submit a copy of the review report.

Along with a business plan, applicants also must submit a bank draft, money order, or cashier's check in the amount of \$250 made payable to the SBDC. Applicants submitting a current fiscal year review report by the Forest Service or an SBDC need not enclose payment.

## **Performance Evaluations**

Applicants who have experience in managing Forest Service or other Government concessions must provide copies of the most recent annual written performance evaluations for each Forest Service or other concession the applicants have operated or are operating.

## **References**

Applicants also must furnish three business references with names, addresses, telephone numbers, and email addresses in support of relevant business experience. These references will be contacted for information regarding applicants' past performance. In addition, the Forest Service may consider past performance information from other sources.

## **3. Financial Resources**

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (*see* Appendix 16 of the prospectus) for certification of the accuracy of the financial statements.

Applicants must complete FS-6500-24 for any of the last three fiscal years they were in business for which a financial statement was not audited, reviewed, or compiled by a CPA. An applicant who has had a financial ability determination (FAD) conducted within the past year should include a statement to that effect along with the forest name, contact name and telephone number. Additionally, applicants must identify any pending applications or new permits obtained from the Forest Service since the FAD was completed.

In completing FS-6500-24, LLCs must list the name of the company in block 1, the names and interests of the principals in block 5, and their members should be listed in block 6. In addition, LLCs must complete the certification in Part (D)(1) of FS-6500-24.

An applicant who has not been in business for the last three fiscal years, and therefore cannot submit audited, reviewed, or compiled financial statements or an FS-6500-24, must submit three fiscal years of projected financial statements compiled by a CPA using the forecast method.

Any financial information submitted by applicants must conform to generally accepted accounting principles (GAAP) or other comprehensive bases of accounting. Any previously prepared financial documents that are submitted must be unredacted and in their original form, including footnotes.

Applicants must show at least 25 percent of the first year's operating costs in liquid assets. Liquid assets are assets that are readily converted into cash.

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (see Appendix 17 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to:

USDA Forest Service, Albuquerque Service Center, Attention: Resource Audit Branch,  
101 B Sun Ave NE,  
Albuquerque, NM 87109

**4. Fees Charged to the Public**

Applicants must provide a list of all fees they propose to charge to the public for the first three years of operation; including fees for required and optional services (see Appendix 9, Sample Annual Operating Plan, for a list of required and optional services). Discuss any variable pricing, discounts, and passes. All proposed fees to be charged to the public also must be included in the business plan as an income item.

The Forest Service reserves the right to regulate the rates charged to the public.

**5. Fee to the Government**

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is \$12,234 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

**Minimum Fee Calculation**

<u>Year</u>	<u>Gross Revenue</u>
2009.....	\$249,743
2010.....	\$262,711
2011.....	\$290,746
Total	\$803,200

Total gross revenue ÷ 3 = average gross revenue

$$\$803,200 \div 3 = \$267,733.33$$

Average gross revenue multiplied by the current 30-year Treasury bond rate = the minimum annual fee. In the following example, the 30-year Treasury bond rate is 5.3 percent.

$$\$267,733 \times 0.053 = \$14,189 \text{ minimum annual fee}$$

Applicants may propose a fee below the minimum, provided they can document why this amount represents fair market value. However, the Forest Service may reject the proposed fee if the agency determines that it does not reflect fair market value.

Applicants must propose the fee to the Government as a percentage of the concession's adjusted gross revenue. One percentage may be proposed for the entire permit term, or the percentage may vary each year. However, if a consolidated fee payment will be proposed, one percentage rate must be proposed for the entire period of consolidated payments.

Optional Consolidated Land Use Fee Payment. Applicants may propose a consolidated fee payment for up to 5 years during the initial permit term or extension of the term to finance a GT fee offset project. The consolidated land use fee payment will be determined by multiplying the average annual gross revenue of the offering for the past 3 years (adjusted, if applicable, based on expansion or contraction of the concession) by the number of years the land use fee payments will be consolidated, and multiplying the product by the percentage of gross revenue proposed by the applicant. If the Forest Service will perform the GT fee offset work using a collection agreement, the entire consolidated land use fee payment must be made when the first land use fee payment otherwise would have been due. If the holder will perform the GT fee offset work, the holder must commence that work within the first 6 months of the consolidated fee period and must complete the work within 18 months of the beginning of the consolidated fee period. The consolidated land use fee payment will not be reconciled based on actual gross revenues.

The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.

The fee to the Government may be offset in whole or in part by the value of Government MRRI, performed at the permit holder's expense in accordance with a GT fee offset agreement (*see* section III of the prospectus).

#### D. Evaluation of Applications

A Forest Service evaluation panel will evaluate each application utilizing the non-fixed weight method.

**The following evaluation criteria are listed in descending order of importance:**

- Proposed annual operating plan (including required and optional services).
- Business plan, business experience, and references.
- Financial resources.
- Proposed fees charged to the public.
- Fee to the Government.
- References

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

The evaluation panel will make a recommendation to the authorized officer as to which applicant offers the best value to the Government. The authorized officer will make the selection decision. All applicants will be notified of the successful applicant via certified mail.

The Forest Service will conduct a FAD on the selected applicant as a prerequisite to issuing a special use permit, unless the agency has a current fiscal year FAD conducted by the Albuquerque Service Center or SBDC for another Forest Service unit.

The Forest Service reserves the right to reject any and all applications.

The Forest Service reserves the right to rescind the prospectus at any time before a special use permit is issued. If the Forest Service rescinds the prospectus, application fees will be returned.

## V. Post-Selection Requirements

Once an applicant has been selected, the following information must be submitted and approved by the Forest Service prior to issuance of a special use permit:

- A final annual operating plan containing all the items included in the annual operating plan submitted in response to the prospectus.
- An annual GT fee offset agreement.
- Documentation of required liability insurance and, if applicable, property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advance payments (*see* Appendix 10 of the prospectus and FS-2700-4h, clause IV.C.1).
- Documentation that utility services have been obtained in the name of the selected applicant.
- A state business license and any other required federal, state, or local certifications or licenses.

The successful applicant will be required to submit all these items within 30 days of the date of the selection letter. If these requirements are not met within the 30-day period, a special use permit will not be issued. The applicant who receives the next-highest rating may then be selected for the special use permit, subject to the same requirements.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for

communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.