



## Division of State Parks

General #00-3	Concessions	Rev. 5/2013	Page 1 of 2
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**REFERENCES:** NRS 407.065

**PURPOSE:** This policy provides the criteria and guidelines for determining, recruiting, contracting and managing concessions in an effort to make the process responsive to legal requirements and liability concerns.

**ORGANIZATION:** Through the use of concessions, the division will identify, plan and provide facilities and services compatible with park master plans, when the desired service or facilities are needed to enhance visitors' use and enjoyment of the parks.

**PRIOR POLICY:** This policy supersedes the prior policy dated 1/2010.

### **PROCEDURE:**

A concession is generally defined as a contractual agreement to a public or private entity, as authorized in NRS 407.065, subparagraph 1(f), for the use of state park property. See definitions on Attachment A.

- I. Concessionaires shall be given a reasonable opportunity to make a fair return on their investment. Concessions shall not be contracted solely to make profits for the concessionaires or for the division; neither shall they result in an increase in division operating cost, unless there are overriding compensating values received.
- II. Development of the Request for Proposal will be done by the park supervisor in concurrence with the regional manager and the deputy administrator.
- III. The RFP is forwarded to the contract manager in the division office. The contract manager will conduct the RFP process and provide oversight to the RFP review team. The review team is determined by the park supervisor and approved by the administrator or deputy administrator.
- IV. The park supervisor will solicit proposals from the private sector through the RFP process and public advertisement. The contract manager will ensure the RFP is posted on the State Park's web site and State Purchasing's web site.
- V. The review team will individually rate each proposal for: experience and business background, plan and timetable for providing services and facilities, and marketing plan. The team then meets to review each proposal's credit report, financial stability and amount to be paid to the state. The contract manager completes the ranking of the proposals during the RFP review team meeting. The contract manager collects the review team packets with score sheets and the final ranking sheet. The contract manager presents the team's recommendation to the administrator and deputy administrator for their concurrence and approval for contract negotiations to begin.
- VI. The park supervisor drafts the concessionaire contract to be reviewed by the contract manager. The contract manager ensures proper accounting procedures are included in the draft contract for the deputy administrator and ASO to review.

- VII. Once the draft contract is approved, the park supervisor will route to the concessionaire and regional manager for signatures. It will then be forwarded to the contract manager to solicit signatures from the department director, division administrator, ASO, deputy attorney general and Board of Examiners (BOE). Upon approval of the BOE, all parties will receive approved copies of the concession contract.
- VIII. After the contract is awarded, the regional manager and park supervisor will be responsible for monitoring performance of the contract. Problems not resolved at the region level will be directed to the deputy administrator and the contract manager.
- IX. The contracts manager will have oversight responsibilities for concession contracts; these include financial obligations, as well as, meeting requirements as set in contract.
- X. Copies of concessionaire deposits are forwarded to the contract manager for tracking purposes. All accounts receivable for concession contracts will be listed on the accounts receivable report submitted to the Controller's office quarterly until paid. Late payments will be assessed on all concessionaires unless the late fee has been waived in part or in full by the administrator under special circumstances. See attachment B for a standard letter format to notify concessionaire of non-payment of funds.
- XI. For each concessionaire that pays fees based upon a percentage of revenues, the contract manager will request a copy of the concessionaire's annual federal tax return and the combined sales and use tax return, if applicable. The reports will be compared to the concessionaire's reports of profit and loss to ensure they have reported accurate revenue figures and paid the appropriate fees.
- XII. If a CPI adjustment is included in the concession contract, the following formula will be used:  
Contract Specifics Regarding Fees –Beginning in 2007, the rental fee will be annually adjusted through Consumer Price Index (CPI) calculations based on the United States Department of Labor, Bureau of Labor Statistics CPI, urban consumers (CPI-U), all items for "U.S. City Average – West" for the upcoming performance season using the following formula:

$$\frac{(A) \text{ Current 12 Month CPI Index} - (B) \text{ Previous year, 12 month CPI Index}}{(B) \text{ Previous year CPI Index}} \times 100 = (C) \text{ Annual Percent increase to previous years rental fee}$$

Original signed by: <b>SIGNED</b> David K. Morrow, Administrator	6/4/13 Effective Date
Original signed by: <b>SIGNED</b> Leo Drozdoff, Director	6/4/13 Date

Copy to Regions: \_\_\_\_\_

Review Date: \_\_\_\_\_

## **Special Use Permits, Concession Agreements, Commercial Use Permits Cooperative Agreements and Interlocal Contracts**

The decision to issue a concession permit, commercial use permit, special use permit, interlocal agreement or a cooperative agreement will be based on a number of factors. The following definitions are intended as guidelines.

### **DEFINITIONS**

#### **Special/Commercial Use Permit (SCUP) (NAC 407.085)**

A special use permit will generally be issued for a one-time event, use or activity, which would be for a few hours, a few days, or a weekend.

A commercial use permit will usually be for commercial use of a park for a period more than one day or a weekend. It may also be used as a trial concession (short term business venture) that operates for no longer than one year. A Commercial use permit generally operates no longer than one year and may be renewed if appropriate by following the guidelines below. The commercial use permit may operate for up to two operating seasons (24 months) if extenuating circumstances make this term advantageous to the park. If a renewal is appropriate, a commercial use permit will be issued upon recommendation of the park supervisor and the approval of the regional manager, administrative services officer and the deputy administrator. The following criteria would tend to determine if the activity would be a special or commercial use permit:

- Limited capital investment by the permittee
- No or little capital investment by the sponsor.
- Minimal long term impacts on the park visitors, staff, operations, or resources.
- Commercial use is non-exclusive.
- No facilities or resources, other than daily set-ups, are permitted.
- No possessory interest granted or preferential rights granted
- Activities originate outside of the park and no funds are exchanged within the park.

#### **Concessions**

The concession is generally defined as a contractual agreement with public or private corporations, to groups or natural person, or to natural persons for a valuable consideration upon such terms and conditions as the division deems fit and proper, but no concessionaire may dominate any state park operation as authorized in NRS 407.065 Subparagraph "f." The concession process will usually be used when an event, use or activity will last more than one year and involve a proposal that is primarily a business with the following impacts:

- Major visitor use impacts
- Major operations impacts.
- Major resource impacts.
- Long term impacts.
- On-going or periodic events occurring at least once per year.
- Prospective permittee will have substantial capital investment.

### **Cooperative Agreement**

A cooperative agreement is an agreement between two or more public agencies for the “joint exercise of powers, privilege and authority.” including, but not limited to law enforcement. (NRS 277.080 to 277.170). Note: Federal agencies refer to cooperative agreements as a Memorandum of Understanding (MOU).

### **Interlocal Contract**

Interlocal contract is an agreement between one or more public agencies to “obtain a service” from another public agency to perform any governmental service, activity or undertaking which any of its public agencies are authorized by law to perform. (NRS 277.180)

### **Intrastate Interlocal Contract**

Agreement by public agencies (all from Nevada) to “obtain a service” from another public agency.

AGENCY/REGION LETTERHEAD ONLY

Date

Contract Holder  
Address

Dear (Contract Holder):

Your payment for the permit/lease that you hold with Nevada Division of State Parks has not been received by the contracted due date. Terms of your contract should be reviewed by you and the appropriate payment, including any late fees required, must be submitted to the designated Nevada Division of State Park office within ten days. Any questions pertaining to payment schedules should be discussed with your designated park staff contact.

Billing Information

Fees required for: \_\_\_\_\_

Amount due: \_\_\_\_\_

Date Due: \_\_\_\_\_

Late fees: \_\_\_\_\_

**Total due:** \_\_\_\_\_

Sincerely,

Park Supervisor, Regional Manager or Contract Manager