

## **PART – 3**

# **Instructions to the Bidder for Preparing the Proposal**

Before completing a proposal, carefully read and consider these instructions, the Concession Contract document, the exhibits to the Concession Contract document, and the other information in this prospectus, its appendix, and any other documents to which it refers. Failure to accurately follow these instructions and other directions relating to the format and content of any eventual proposal could result in a determination by Reclamation of a nonresponsive bid and no further consideration for this concession opportunity.

### **A. Response Period for Submission of Proposals**

It is assumed that all interested parties submitting a proposal in response to this Prospectus are aware of the provisions of 43 CFR Subtitle A and the latest Bureau of Reclamation Manual Policy and Directives and Standards, as amended.

Proposals must be received by 4 p.m. pacific standard time on August 31, 2015. Public notice has been given.

Only a bidder submitting a responsive proposal is eligible to be awarded a new Concession Contract. A proposal is considered responsive if it is submitted on time and is determined by Reclamation to satisfy all the minimum requirements of the new Concession Contract and this Prospectus and to provide all the information required by this Prospectus. The minimum requirements for the new Concession Contract are identified in Part A of PART 5 of the Prospectus. Bidders must agree in their proposal to the minimum requirements of this Prospectus, as identified in Part A, and must provide all the information required by Part B of PART 5 for the proposal to be considered responsive.

Proposals determined to be nonresponsive by Reclamation will be rejected and will not be further evaluated.

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### **B. Schedule of Meetings and Concession Facility Tours**

Reclamation will host a Prospectus Meeting and Site Orientation. All interested parties may tour the concession locations and discuss the requirements of the Prospectus at this meeting. This meeting will be held on July 17, at 8:30 a.m. For interested parties unable to attend this meeting, Reclamation is willing to host an alternate Prospectus Meeting and Site Orientation on July 24, at 8:30 a.m. The contents of this alternate meeting will be the same as that of the July 17 meeting. Parties interested in this alternate date must contact Ms. Peggi Brooks at 916 989-7128 or [pbrooks@usbr.gov](mailto:pbrooks@usbr.gov) by July 17. To ensure fair competition, no other meetings will be held. All meetings will begin at the Reclamation Office at Lake Berryessa located at 5520 Knoxville Road, Napa, CA 94558.

Interested parties attending the Prospectus Meeting and Site Orientation interested in additional site visits to the Recreation Areas must coordinate with the Lake Berryessa Park Manager to gain access to fee areas or areas that are currently closed.

Questions and concerns regarding the Prospectus may be submitted to Ms. Peggi Brooks at the following e-mail address: [pbrooks@usbr.gov](mailto:pbrooks@usbr.gov). Remember any questions/concerns from prospective bidders responded to by Reclamation at any time during the prospectus process will be shared with all other known prospective bidders.

### **C. Form in which Proposal must be Submitted**

You must follow the format provided in the Prospectus in its entirety and without significant alteration when applying for the Concession Contract(s). Failure to submit a proposal according to these instructions without alteration (except for filling in the indicated blanks) will render your proposal nonresponsive. The need to follow the prescribed format will be important for all applicants but especially a challenge for any bidders that are submitting a proposal for multiple contract opportunities. General directions on submitting a proposal are located throughout this PART 3 of the Prospectus. Certain 'Special Conditions and Instructions' for bidders submitting for multiple opportunities are located in Section K of this PART 3 of the Prospectus and as appropriate in various other sections of this Prospectus.

1. Pagination - For your proposal to be considered responsive, each page of your proposal must have a page number and must be organized in a logical, easy-to-follow manner.

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2. References - Each page of your proposal must also reference the location or criterion it is responding to in the Prospectus so the response can be clearly identified (e.g., PART 5, Principal Factor 3, criterion B3 (b) 2.a).
3. Additional Information - Please include any additional information you may deem relevant to your proposal, but stay within the indicated organizational framework of the Prospectus.
4. Bidders are cautioned to submit responses to the Principal Factors in Part B of Part 5 in the exact order they are presented in the Prospectus. Failure to do so may affect the final scores.

### **D. Where and How to Submit a Proposal**

Completed proposals and any modifications must be submitted to Reclamation by the close of business on the due date and sent to the address indicated on the front page of this Prospectus. Proposals may be delivered in any manner convenient to the bidder during the normal business hours of the receiving office.

1. Submit five hard copies of your proposal(s) following the format of the proposal presented within this Prospectus. Also submit five complete electronic versions on CD/DVDs that also include the projected financial information. If you have drawings or large format plans that do not lend themselves to an electronic format, then you may submit extra hard copies of them with the five CD/DVDs. Submitting less than the requested number of copies of your proposal will be considered nonresponsive.
2. Proposals and any modifications of those proposals must be enclosed in sealed containers (envelopes, boxes, etc.) and the following should be marked on the container in large letters:
  - a. “LAKE BERRYESSA CONCESSION PROPOSAL PACKAGE, MAIL ROOM, DO NOT OPEN.”
  - b. The due date specified in this Prospectus for receipt of the proposal by Reclamation.
  - c. The name and address of the bidder. Bidders submitting their proposals by an express carrier must include their street address and phone number.

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### **E. Proposals and Contracts will be Considered Public Documents**

All proposals submitted in response to this Prospectus will be disclosed by the Department of the Interior to any person, upon request, to the extent required by the Freedom of Information Act (FOIA) (5 USC 552). If you believe that your proposal contains trade secrets or confidential commercial or financial information exempt from disclosure under FOIA, mark the cover page of each copy of the proposal with the following legend:

- The information specifically identified on pages (list page numbers where confidential information exists) of this proposal constitutes trade secrets or confidential commercial and financial information that the bidder believes to be exempt from disclosure under the Freedom of Information Act. The bidder requests that this information not be disclosed to the public, except as may be required by law

You must specifically identify what you consider trade secret information or confidential commercial or financial information on the page of the proposal on which it appears, and you must mark each such page with the following legend:

- This page contains trade secrets or confidential commercial and financial information that the bidder believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the notice regarding confidentiality contained on the cover page of this proposal

### **F. Questions**

If you have questions regarding this Prospectus, you must submit your questions, in writing, to the contact person indicated on the front page of this Prospectus, no later than 30 days in advance of the submittal date. Reclamation will respond in writing to your question and will provide the question and response to all potential bidders through the mail, email or the Prospectus website. Questions received after this date may not be answered. Because Reclamation must provide equal information to all potential bidders, there must be sufficient time allowed to inform all potential bidders of such questions and answers.

To the extent appropriate, verbal questions regarding certain aspects of this Prospectus and the existing fixed assets will be answered during the scheduled meetings and location tours as identified in preceding Section PART 3 Section B. Questions asked and answered at these meetings and tours will be reduced to a written document and made available to interested bidders within one week following the actual meetings/tours.

## **G. Evaluation of Proposals and Selection**

The minimum requirements for the new Concession Contract are identified in Part A of PART 5 of the Prospectus. Bidders must agree in their proposal to the minimum requirements of this Prospectus, as identified in Part A, and must provide all the information required by Part B of PART 5 for the proposal to be considered responsive.

The evaluation panel will consider each of the ‘Principal Factors’ as set forth in this Prospectus (Part B of PART 5) by assessing the narrative and other information presented in the bidder’s proposal in response to the requests for information and questions set forth under each ‘Criterion.’ The bidder’s response will be evaluated and rated according to one of four categories as “not satisfactory, satisfactory, good, or superior.” Rating points will be assigned between zero and up to the maximum total identified in PART 5.

It will be necessary for a proposal to achieve a “satisfactory” or better rating for each of the five ‘Principal Factors’ to be considered an acceptable or better proposal. A “not satisfactory” rating for any one of the five ‘Principal Factors’ will render an entire proposal “not satisfactory” and will be grounds for rejection/non-responsive determination.

The evaluation panel will provide a written consensus recommendation to the selecting official (Regional Director or delegate) that outlines in detail the reasoning for the recommendation. The panel will provide supporting information indicating why the recommended bidder exceeds other bidder on an overall basis.

## **H. Selecting the Best Proposal**

Reclamation will select as the best proposal(s) the proposal(s) that Reclamation determines will, on an overall basis, best achieve the objectives of Reclamation and is in the best interest of the Government. Reclamation will provide a narrative explanation for the selection.

## **I. Preferential Right of Renewal**

No “Preferential Right of Renewal” exists with the current Concession Contractors. The new contract(s) also will not include any “Preferential Rights” and will be issued in accordance with Reclamation Policy and the associated Directives and Standards.

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### J. Cautions to Bidders About Submission and Evaluation of Proposals

1. Reclamation expects to issue an amendment to this prospectus to be posted approximately thirty days after the initial Prospectus is posted. This amendment will include the final 60% designs and drawings for the Recreation Areas and the related financial information.
2. All information regarding this Prospectus will be issued in writing. No Reclamation or other Government official is authorized to make substantive oral representations regarding this Prospectus, and no bidder should rely on any oral representations made by Government officials regarding this Prospectus.
3. The proposal describes all the Principal Factors and criteria, the responses to which will be used by Reclamation to evaluate proposals. You, the bidder, should ensure that you fully respond to all questions provided under each Principal Factor.
4. This Prospectus and related documents reflect the views and objectives of Reclamation with regard to the proposed concession operation. Should you believe that any statement in this Prospectus is inaccurate, you must submit comments to Reclamation, in writing, no later than 30 days before the due date for proposals. Send your comments to Ms. Pegg Brooks at the address on the front page of this Prospectus for Questions and Inquiries. If you send a 'disagreement' with a statement in the Prospectus and Reclamation determines that it is not an inaccuracy, the only response you may receive is a short recognition that the statement is not inaccurate but without any discussion or attempt at dialogue with Reclamation's position outlined in the Prospectus.
5. The information included in this Prospectus, including all appendices and other attachments, is provided to allow bidders to understand the concession's operations and the acceptable range of the terms and conditions of the new Concession Contract(s). The information is provided throughout all the documents contained in this Prospectus. Bidders are therefore encouraged to thoroughly review all information and required submittal documents before preparing a proposal.
6. A proposal to expand the scope of facilities or services beyond the parameters of those identified in this Prospectus will not be considered in the evaluation of proposals. Reclamation will not penalize a bidder for proposals beyond the business levels identified in the Prospectus. However, additional credit will not be considered and proposals that

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indicate their bid is dependent upon the approval of their expanded business proposal will be considered nonresponsive.

7. If you propose to make financial commitments in response to any Principal Factors, your proposal will be closely and professionally reviewed and analyzed to make sure your financial statements and supporting documents accurately reflect those commitments. Such documents include, but are not limited to, the pro forma income statements and pro forma cash flow statements required in the proposal. If Reclamation determines that your financial proposal and apparent financial expertise is unrealistic, that could result in your proposal being found nonresponsive.
8. Reclamation shall have the authority to make the final determination of appropriate rates; therefore, the projected financial statements and the benefit to the Government (franchise fee) proposed by the bidder should reasonably reflect such comparable rates. It should be noted that final approval of rates will be based on a comparability study to determine the appropriate rates the Concession Contractor may charge for goods and services. The study will compare rates in the local and regional markets for similar goods and services.
9. All bidders must be aware that a part of the proposed or actual 'rate package' may NOT include an 'Entry Fee' charge for entering any of the concession areas. It is appropriate to propose and establish fees for certain types of 'day use', i.e., using picnic facilities, boat launch, swimming facilities, and other amenities that have been developed by the Concession Contractor, etc. Visitors just wishing to visit the concession area and perhaps use the retail and food and beverage facilities or just 'look around' as part of their overall Lake Berryessa sightseeing will not be charged any type of entrance or use fees by the Concession Contractor.
10. The proposal and related materials submitted should reflect the entire proposal you wish to submit. Reclamation will consider your written submission as your full and final proposal in response to the prospectus and will conduct the evaluation of proposals and make a selection of successful bidder(s) based ONLY on the written information you have submitted. Do not assume that Reclamation knows anything about you or your proposal. Do not assume that any information about you or your proposal, previous correspondence, or previous submissions are in the possession of or will be considered by Reclamation. Reclamation may verify through contact with other parties any aspects of your proposal or identified applicable background that may need clarification or confirmation.

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11. The draft Concession Contract section of this Prospectus (PART 6) and its exhibits, which set forth the terms and conditions governing operation of the concession, are attached. It is likely that this draft contract represents approximately 95%-98% of the intended final contract. Certain aspects will not be finalized until a successful bidder is selected and those aspects of their proposal that resulted in their selection are addressed in a final contract. Reclamation is willing to negotiate on limited components of the draft Concession Contract, and responsive bidders agree in the bidder proposal packages (Part 5 of the Prospectus) to limit negotiation to the term of the Contract, Services and Operations, the structure and percentage of Franchise Fees, and the Insurance Requirements. Reclamation may amend a Prospectus and/or extend the submission date before the proposal due date. Reclamation may also cancel a solicitation at any time before the award of the Concession Contract if Reclamation determines, in its discretion, that cancellation is appropriate and meets the public interest. No bidder or other person will obtain compensable or other legal rights as a result of an amended, extended, canceled, or reissued solicitation for this Concession Contract.
12. The terms, conditions, and determinations of this Prospectus and the terms and conditions of the proposed Concession Contract, as described in this Prospectus, are not final until the Concession Contract has gone through final negotiations between a successful bidder(s) and Reclamation and a contract is awarded and executed. During final negotiations on an eventual contract Reclamation's determination will be final on areas of disagreement.
13. Reclamation may request, from any bidder who has submitted a timely proposal, a written clarification of its proposal. Clarification refers to eliminating any ambiguities that may have been contained in a proposal but does not include amendment or supplementation of a proposal. A bidder may not amend or supplement a proposal after the submission date unless requested by Reclamation to do so and unless Reclamation provides all bidders that submit proposals a similar opportunity to amend or supplement their proposals.
14. The selected bidder must sign the Concession Contract promptly after selection of the best proposal and within the time established by Reclamation. If the selected bidder fails to sign the Concession Contract within the time period specified by Reclamation or declines to provide any of the facilities or services that they outlined in their bid then Reclamation may select another responsive proposal for award of the Concession Contract or may cancel the selection and may re-solicit proposals for the Concession Contract.



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15. Document delivery services that offer overnight delivery may not provide true overnight delivery to some areas. Bidders will be responsible for ensuring the timely submittal of proposals by contacting the delivery service of their choice regarding delivery availability and timing for the submittal location specified on the front page of this Prospectus. A failure by a delivery company or any individual responsible for assuring that a bid package is received by Reclamation no later than identified in this Prospectus will not be considered by Reclamation nor will an extension be granted.
16. Reclamation will include, as terms of the eventual new Concession Contract(s), appropriate elements of the winning proposal(s) selected for award of the Concession Contract(s). Such appropriate elements of the proposal may include, but are not limited to, components of the bidder's proposed Operating Plan, Maintenance Plan, Environmental Management Program, or Risk Management Program.
17. Bidders are responsible for undertaking appropriate due diligence with respect to this business opportunity. All the statements made in this Prospectus regarding the nature of the business and future performance is only the opinion of Reclamation. Bidders should not rely on any representations of Reclamation in this regard.
18. If during the Concession Contract term, Reclamation and the Concession Contractor mutually agree that the Concession Contractor may provide a service that is not stipulated in the Concession Contract, the Concession Contract will be amended to include that service as a requirement of the Concession Contract, subject to the same contractual obligations and limitations as other stipulated services. This however does not include a major expansion of facilities but is meant to accommodate small changes to the existing operation per LND 04-01, 4.D. (15). A similar action could release a Concession Contractor from having to provide a service that both parties agree is no longer necessary.
19. As a part of the proposal, bidder(s) may suggest the business name they intend to use but it is not required and can wait until final discussions in advance of finalizing the eventual contract(s). Reclamation must approve the eventual names. See item O for more information about business names versus the name of the concession areas. For the sake of clarity in this proposal, when referring to specific operations, all bidders should use names presented in this prospectus for each area that they are submitting bids.
20. If a previous Concession Contractor at Lake Berryessa is selected as the winning bidder on any of the concession locations and they have

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not complied with any and all applicable requirements of their previous contract, the ROD and the stipulations set forth in this Prospectus (in regard to previous Concession Contractors) in advance of any final authorization to proceed and in advance of execution of any future contract, then they will not be selected or awarded a new contract. Two specific examples of requirements that must be met in advance of being authorized to operate under a new Concession Contract or before execution of a new contract at Lake Berryessa for previous Concession Contractors are:

- a. Any material failure to clear concession areas of all personal property and improvements as directed by Reclamation, and
- b. Any material overdue financial obligations to the United States Government.

Bids from contractors or corporate members/officers (including all their members or anyone associated thereof) who are in violation, or have violated, other contracts with Reclamation, or statutory requirements specific to Lake Berryessa, who are not current in any financial obligations with Reclamation, etc. will not be considered for a new contract.

### **K. Special Instructions and Discussion for:**

#### **(1) Bidders Submitting Individual Proposals for More Than a Single Concession Opportunity OR (2) Bidders Submitting a Combined Proposal for More Than a Single Concession Opportunity**

As identified in the introduction to this Prospectus and in other applicable sections, this is a unique concession prospectus opportunity. This Prospectus covers the new opportunities for five individual Concession Contracts at the following locations:

- Putah Canyon Recreation Area (formerly Putah Creek Resort)
- Monticello Shores Recreation Area (formerly Rancho Monticello)
- Berryessa Point Recreation Area (formerly Lake Berryessa Marina)
- Spanish Flat Recreation Area (formerly Spanish Flat Resort)
- Steele Canyon Recreation Area (formerly Steele Park Resort)

There are two approaches besides the standard approach (one single proposal for one location) that a Bidder might select in submitting a proposal or proposals. An individual bidder may appropriately decide to participate in one or the other or a combination of both. The two additional approaches are:

- 1. Proposals on More Than One Single Concession Opportunity** – This option is basically the same as a traditional package for a concession

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opportunity with the exception that a bidder may decide to submit multiple individual proposals for two or more concession locations. For example, a bidder could submit one proposal for Spanish Flat, a second separate proposal for Putah Canyon, and a third for Monticello Shores. A bidder could submit up to five separate proposals and could be selected as the successful bidder on one or any combination (including up to a maximum of three) of the proposals submitted depending upon the strength of their individual packages in competition with other bidders.

In this scenario, multiple proposals from a single bidder would be evaluated as separate individual proposals during the proposal evaluation process. If a particular bidder is selected as the successful bidder on more than one concession opportunity, Reclamation will combine those two or three operations into a single Concession Contract. If this situation occurs, all bidders should understand that certain negotiations will occur to rectify any changes necessary from the individual proposals to satisfactorily combine the operations into a single contract. Under no situation will Reclamation authorize multiple Concession Contracts with the same operator but will combine them into a single contract that covers two or three locations.

To the extent possible in finalizing a combined contract, Reclamation and the successful Concession Contractor will address issues such as length of term, franchise fees, scheduling for capital improvement, maintenance and operating plans, etc. in a manner that considers the submitted individual proposals; however Reclamation's decision is pre-eminent in areas of disagreement, and the Concession Contractor, if dissatisfied, may decide to withdraw one or more of their successful proposals and just settle on a more limited opportunity.

- 2. Single 'Combined Proposal' that Includes Two or Three Locations –** This type of proposal would combine two or three of the existing operations as a single bid. In this approach, the bidder would be indicating a preference to operate multiple locations (two or three) in a combined proposal. Such an approach may be preferable to some bidders because of the flexibility and revenue opportunities in operating multiple locations. There would also be an associated level of increased financial risk and management complexity in operating multiple locations.

**An example of a combined proposal would be one that includes** Putah Canyon, Monticello Shores, and Berryessa Point, (or any other mixture that may include up to three) where the bidder has indicated a desire to operate multiple locations in a single coordinated operation

As described in PART 5 of this Prospectus, the proposal evaluation process will score combined proposals in a manner that enables a comparison between a specific location i.e., Spanish Flat from the

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combined approach to any other bidder submitting a proposal for Spanish Flat whether combined or individual.

- For Example: If ‘Bidder A’ submitted a combined proposal for Spanish Flat, Monticello Shores and Putah Canyon their submission for the Spanish Flat portion of their proposal would be evaluated against all other bidders submitting either individual or combined proposals that include Spanish Flat. Therefore, if ‘Bid B’ has submitted a proposal that is only for Spanish Flat and ‘Bid C’ a proposal for Spanish Flat and Putah Canyon, Reclamation will look at each of their particular proposals as it applies to Spanish Flat to draw a conclusion regarding the differences and similarities as it pertains to just Spanish Flat.

The same review/evaluation process will occur for each of the five concession areas as Reclamation makes determinations on which bidder(s) submit the best proposal for individual locations and/or combined operations.

Because of the operational and managerial flexibilities inherent in a combined proposal, Reclamation will consider the overall combined impacts and provision of services in a combined proposal when comparing it to other (individual or combined) proposals for the same locations.

If Reclamation believes that a combined proposal on multiple locations is very good and in an overall manner displays a better opportunity for a financially successful operation they may select that bidder as an apparent successful proposal. Any selections as a new Concession Contractor whether from a multiple or individual proposal is conditional on final negotiations between Reclamation and the bidder(s) as earlier outlined in the ‘Introduction to the Prospectus’. These final negotiations will be more in the manner of ‘fine tuning’ a submitted proposal. The final approved operation will still be very recognizable from a bidder’s original proposal. If any conditional winning bidder does not feel they can agree to the ‘fine tuning’ proposed by Reclamation, and an impasse is reached, then Reclamation may select the next highest bidder or even re-advertise an individual location if it seems, in Reclamations judgment, that an effective proposal for any particular location does not exist.

Reclamation recognizes that an individual or company that submits a combined proposal covering multiple locations, as highlighted in the previous examples, may have structured the finances and proposed operational components of their overall proposal in such a manner that any deletion of a particular location from their overall combination might result in their non-interest or unwillingness to consider something less. However, Reclamation may determine that a combined proposal for

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multiple properties may be very good except for the submission on one or two of the locations OR that another bidder has such a superior proposal for a particular location that the subjects combined proposal does not compensate for the other bidders proposal in that one location. In that case, Reclamation may inform a bidder that has submitted a combined proposal on, for example, three locations, that they have been selected as a winning bidder on two of those locations and that a final contract for those two will be negotiated. The bidder that presented the package for three properties in this example could decide they are not interested in accepting a lesser package than their proposal in which case Reclamation would go to the next highest bidder(s) for the remaining two locations. However if the subject combined bidder did agree to accept the conditional package that included two locations instead of the three they proposed, then Reclamation would negotiate final contract terms and conditions (contract length, franchise fees if any, final level of investment and construction schedule, any necessary adjustments to proposed services and facilities necessary, etc.) to appropriately cover an operation of two locations in a new contract.

These are complicated options that all bidders should be prepared to discuss during the previously identified meetings with Reclamation to eliminate any confusion or concerns.

### L. Submit Responses

**Submit Responses to Principal Factors & Criterions in The Order they are displayed in PART 5 of This Prospectus**

It is imperative that bidders structure their responses to the five (5) individual 'Principal Factors' and the associated 'Criterions', outlined in Part B of PART 5 of this Prospectus, in the exact same order they are presented. Bidders that do not respond in the order as outlined in Part B of PART 5 risks the possibility that their intended response will not be fully noted or credited and thereby lose valuable points. Similarly it is important to apply a heading to responses that will alert the review panel as to exactly which 'Principal Factor' and/or 'Criterion' is being responded to. Including numerous responses in a lengthy narrative that challenges the panel to pick out salient portions without noting the specific 'Principal Factor' or 'Criterion' could also result in scoring that is lower than a well-defined response.

### M. Ownership of Fixed Assets

1. All permanent fixed assets, known as *Concession Contractor Improvements* placed by the Concession Contractor within the Concession Area shall be considered the property of the Concession

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Contractor, with the exception of Concession Area Infrastructure. Concession Area Infrastructure includes all road surfaces, landscape, utilities, and appurtenant structures affixed to the assigned lands in such a manner as to be a part of the realty including but not limited to parking stalls (camping, RV, and Day Use), parking lots and roadways, electrical transmission and connection services, street lighting, telephone and internet or other methods of information technology, water/waste water systems. Concession Area Infrastructure will become the property of Reclamation upon expiration or termination of the Concession Contract. Any permanent additions or modifications to the Concession Contractor Improvements, excluding Concession Area Infrastructure, shall remain the property of the Concession Contractor. Reclamation has the option to require the Concession Contractor not to remove certain fixed assets from the concession area subsequent to the expiration or termination of this agreement, and instead: (1) pay the Concession Contractor for the permanent fixed assets, which are not to be removed, such value to be determined by Government appraisers; or (2) if a new Concession Contractor assumes operation of the concession, the Government will require the new Concession Contractor to pay the Concession Contractor the value of those fixed assets Reclamation has required not to be removed as per Section 5 of the contract (see Draft Contract in PART 6 of this Prospectus). Those Concession Contractor Improvements, excluding Concession Area Infrastructure, not specifically identified for retention must be removed by the Concession Contractor without compensation.

2. All Government appraisals shall conform to the Uniform Standards of Professional Appraisal Practice (USPAP) as implemented in accordance with the Department of the Interior's Appraisal Services Directorate "Appraisal Policy Manual". The appraisal shall be done no more than nine months prior to the expiration (or termination) of this contract.
3. If the parties dispute as to the value of any facility as appraised by Reclamation, the decision of Reclamation as to such value shall be final and binding upon all parties. Parties may appeal per 43 CFR PART 4 Subpart G.
4. If this agreement is terminated or expires and Reclamation no longer requires operation of the concession, the Concession Contractor shall have the right to remove Concession Contractor Improvements within the concession area, with the exception of Concession Area Infrastructure, unless Reclamation requires some or all to be left in place for sale in accordance with PART 3.L. Concession Contractor Improvements not removed by the Concession Contractor upon

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termination or expiration of this agreement shall be deemed to have been abandoned by the Concession Contractor. Title to all such abandoned fixed assets shall be vested in the United States. The Concession Contractor will be liable for removal and clean-up costs incurred.

### **N. Infrastructure Issues At Steele Canyon Recreation Area**

The Napa Berryessa Resort Improvement District (the District) provides both water and sewer service to up to 577 parcels in the Berryessa Highlands subdivision in southeastern Napa County, adjacent to Steele Canyon Recreation Area. The majority of the parcels in the District are single family residences, but the District also provided water and sewer service to the previous concession operation known as Steele Park Resort.

The District's water facilities include a surface water treatment plant, pumping, storage and distribution systems. The District secures its water supply under Napa County's rights to water from Lake Berryessa and operates under a permit from the Department of Health Services.

The District's wastewater facilities include a wastewater collection system, treatment plant, and land disposal system. The District operates its wastewater facilities under permit from the Central Valley Regional Water Quality Control Board (Regional Board), which prohibits discharge of treated effluent to surface water in this area. The Regional Board has directed the District to make upgrades and improvements to its wastewater treatment facilities in order to comply with its permit, which the District has accomplished in 2014. The District's ability to complete any remaining improvements necessary to comply with the permit is contingent on a variety of factors, some of which may relate to the District entering into an agreement with the new Concession Contractor to connect to its water and wastewater systems. This agreement with the District will require the Concession Contractor at Steele Canyon to pay a connection fee or other assessment commensurate with the estimated demand for services. Reclamation will require the Concession Contractor to receive water and wastewater services from the District and to pay all reasonable associated costs and assessments. The Supplemental Surcharge as referenced in PART 4 Subsection M can be used to offset the assessment.

### **O. Concession Area Names**

Reclamation intends that the current names for each of the concession areas shall not change. The successful bidder may select an operating name for components of their Concession Operations (campgrounds, day use facilities, marina, etc.)

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pending approval by Reclamation, which they intend to officially title that concession service. However, the successful bidder does not have ownership of the name or the authority to retain that name at the termination or expiration of this contract. The name will remain and may be used at no cost by Reclamation and by a succeeding concessionaire even if a different operator than the successful bidder.

### **P. If An Area Receives no Bids or No Acceptable Bids**

If there are no satisfactory bids on a specific area that Reclamation determines to be acceptable, Reclamation may determine to not develop the area as a concession.

### **Q. Exclusive Use**

Private exclusive recreational or residential use as defined and explained in 43 CFR Part 429, Use of Reclamation Land, Facilities and Waterbodies, will not be allowed.