

RECLAMATION

Managing Water in the West

Concession Prospectus for New Melones Marina



Mission Statements

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Concession Prospectus

Under Which A Concession Contract Opportunity Will Be Open For Competition For The Development And Operation Of The Following Businesses:

Marina and Associated Operations, Lodging, Food Service, RV Parks, Boat Rentals, and Retail Sales All associated with serving the Recreating Public at New Melones Lake, Eastside Division of the Central Valley Project, Sonora, California

United States of America
Department of the Interior
Bureau of Reclamation
Mid-Pacific Region
Central California Area Office

December 10, 2014

Offers/Responses/Proposals regarding this prospectus must be received at:

Bureau of Reclamation
Central California Area Office
7794 Folsom Dam Road
Folsom, California 95630

No Later Than

February 13, 2015-- at 4 p.m. Pacific Time

ADDRESS QUESTIONS AND INQUIRIES TO:

Peggi Brooks
Central California Area Office (CCAO)
7794 Folsom Dam Road
916-989-7180
PBrooks@ usbr.gov

New Melones Lake Concession Prospectus

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Part 1

Summary of the Business Opportunity

Reclamation, through this Prospectus, is outlining opportunities for a new expanded concession operation at New Melones Lake. This Prospectus is for the development of a marina and other commercial services that provide facilities and services as have been determined by the New Melones Lake Area Resource Management Plan and related documents. The planning effort that culminated in an Environmental Impact Statement (EIS) and Record of Decision (ROD) in 2010 provides the basic guidance for a new concession operation at New Melones. Reclamation has completed an Environmental Assessment and Finding of No Significant Impacts (EA/FONSI) for the issuance of this prospectus identifying concession area boundaries and recreation services that shall be required along with additional services that would be authorized. The EIS and ROD, EA/FONSI, plus numerous other helpful documents mentioned throughout this Prospectus, may be viewed by visiting a specially developed New Melones Prospectus website at <http://www.usbr.gov/mp/cao/newmelones>

Business opportunities for the next concession contract term may include a full service marina, limited overnight lodging, houseboat and pleasure boat rentals, retail sales, RV Park, and day use facilities. Some operations may be seasonal in nature while others will serve year-round business demands. There may also be other appropriate facilities and activities that Offerors will suggest as a part of their unique proposals. It is likely that successful Offerors will propose a development program that requires substantial new concession investment. (Please see PART 5 of this Prospectus for detailed information on the proposal evaluation process to be conducted by Reclamation).

Concession operations at New Melones have been operating in a very similar manner for over 25 years. However, since the construction of the original marina, there have been weather related and wave action incidents which has led to the conclusion that major portions of the marina must be relocated to a more protected cove. The new contract will provide for a new marina location that is much more protected. The current water based operations shall be terminated with the new contract except for the water area for the mooring ball field, which shall be available as a seasonal operation. The land portion of the original marina area will be available as part of the new contract, along with new land areas in the expanded concession boundary.

Land based operations may continue to be utilized in the existing marina concession boundary. The concession area water well and one (possibly two if

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the outgoing concessionaire leaves the one they own) 55,000 gallon potable water storage tanks are available and located adjacent to the existing maintenance building.

A maintenance yard is fenced and utilized by the current concession contractor for storage of concession-related personal property including rental houseboats, pleasure boats, and personal watercraft during the off-season or when demand for them is low. Sufficient land space is available in the existing land based operations to permit the maintenance yard to be expanded for the provision of Dry Yard Storage for houseboats seasonally moored in the Mooring Ball Field.

Additional land based facilities include paved and unpaved roads, a paved marina access ramp, two paved parking lots with overhead lighting and one unpaved parking lot, and a full hook-up RV site for temporary occupancy by the concession manager and/or site security staff. Additional facilities may be available for temporary use.

Boat and houseboat rentals, RV sites, attractively designed cabin/yurt installations, and quality day use opportunities are all services that, following the re-development, should show immediate visitor demand. Current occupancy levels on rental boat slips at the existing marina is already nearly 100% and increases and upgrades in those Fixed Assets will also be met with continued user popularity. In addition, an existing waiting list for marina slips indicates a high interest in having a boat moored at New Melones.

It is apparent that this opportunity at New Melones Lake will require some well managed and timed phasing for new development to realize all of the apparent benefits. Reclamation is prepared to work closely with the eventual new concession contractor in approving and helping to coordinate the re-development of commercial public facilities. This Prospectus will be open for a period of 60 days in recognition of the complexities involved and the potential for individual Offerors to develop proposals. There are also inherent complexities in this opportunity because of the relocation of the marina and development of new RV camping and lodging opportunities.

With the change to a business model that is committed to the provision of new facilities and services, Reclamation foresees outstanding commercial opportunities at New Melones Lake. New Melones is readily accessible by millions of potential visitors. It is within 3 hours drive of the San Francisco Bay area, Sacramento and other municipalities in central California. The location, environment, scenic vistas and a multitude of outdoor recreation opportunities at New Melones Lake and vicinity make this a desirable location for a marina and related water-based commercial recreation services. Together, this presents a financially viable business opportunity favorable for the establishment of appropriately designed recreation facilities and services with outstanding growth potential over the term of the next concession contract.

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The following table presents the government estimated investments at the commencement of and during the contract.

Table 1 - Estimated Investments

Item	Estimated Cost (2013\$)	Year(s) of Investment
Construction of Marina	\$4,165,000	2016, 2017, 2018
Mooring Ball, Dry Yard Storage, 25% Slip Rentals		2016
Fueling, Boat Repair, Water Based Improvements, Marina Store		2017, 2018
Construction of Land-Based Infrastructure	\$1,684,000	2016
Construction of RV Campsites	\$391,000	2016
Purchase of Houseboats	\$4,746,000	2016, 2017
Purchase of Other Rental Boats	\$481,000	2016, 2017
Preopening Costs	\$179,000	2015
Purchase of Camper Cabins	\$418,000	2016
Total Estimated Capital Investment	\$12,064,000	

The current concession contractor does not have any preferential rights for consideration on the next contract term nor will the eventual new operator have preference for the contract term following this opportunity.

Reclamation will provide through this Prospectus, opportunities for prospective Offerors to tour existing facilities, ask appropriate questions and express concerns regarding aspects of this concession business opportunity (see PART 3 Section B of this Prospectus).

Part 2

An Overview of the Bureau of Reclamation and Concessions Management by the Agency

An Overview of the Bureau of Reclamation

A. Introduction

The Bureau of Reclamation (Reclamation) was established by an act of Congress in 1902 (The Reclamation Act). Reclamation is best known for the dams, power plants, and canals it has constructed and operates throughout the 17 Western States. These water projects were a primary impetus for settlement and subsequent economic development of the West. Since its inception, Reclamation has constructed 350 dams and reservoirs, including Lake Mead on the Colorado River, Lake Roosevelt on the Columbia River and other major projects such as the Central Valley in California. New Melones Lake was constructed by the U.S. Army Corps of Engineers, as a part of the Central Valley Project.

Reclamation is an agency within the U.S. Department of the Interior (Interior). Through its various agencies including Reclamation, the Bureau of Land Management, the U.S. Fish and Wildlife Service, and the National Park Service, among others, Interior manages much of the federally held public lands in the Western United States.

Reclamation is a contemporary water management agency with a Strategic Plan that outlines numerous programs, initiatives, and activities designed to help States, Native American Tribes, and others meet their new and ever-changing water needs while balancing a multitude of competing uses, including recreation.

Reclamation operates under a mandate to use its land and water resources wisely, which includes protecting fish and wildlife, preserving environmental and cultural values, and providing for public enjoyment through outdoor recreation. Reclamation also encourages stewardship and citizen responsibility for public lands and promotes citizen participation in the care of those lands.

Today, Reclamation is the largest wholesaler of water in the country, responsible for providing water to more than 31 million people. Reclamation conveys irrigation water to one out of five western farmers - some 140,000 farmers - who produce approximately 60 percent of the nation's vegetables and 25 percent of its fruits and nuts, among other crops, on 10 million acres.

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Reclamation is also the second largest producer of hydroelectric power in the Western United States, generating enough electricity to serve 6 million homes. Reclamation's 58 power plants generate more than 40 billion kilowatt-hours and nearly a billion dollars in power revenue annually, depending upon the availability of water.

The Commissioner of Reclamation establishes, implements, and manages policies, directives, standards and guidelines under the broad direction of the Assistant Secretary of the Interior for Water and Science. Reclamation's organization consists of, the Office of the Commissioner in Washington D.C; Denver Office complex; five Regional Offices located in the 17 Western States and their sub Area Offices. For the most part, the Area Offices have significant front-line responsibilities for operating and maintaining the water resource and power infrastructure, and managing related programs.

The Mid-Pacific Region includes the northern two-thirds of California, most of western Nevada, and a part of southern Oregon. The Central California Area Office (CCAO) encompasses a 12-county area within northern and central California. New Melones Lake is located in both Calaveras and Tuolumne counties.

B. Mission Statement

The mission of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

C. Vision Statement

Through leadership, use of technical expertise, efficient operations, responsive customer service, and the creativity of people, Reclamation will seek to protect local economies and preserve natural resources and ecosystems through the effective use of water.

D. Recreation

Reclamation provides more than 90 million visitors a year with water-based recreation opportunities at most of the 350 reservoirs. Nearly 200 recreation areas are managed by non-Federal Governmental entities, such as State and County parks. Many are managed by other Federal agencies, such as the National Park Service, the Forest Service, Bureau of Land Management and the Fish and Wildlife Service. There are nine National Recreation Areas on water projects developed by Reclamation including Lake Powell, Lake Mead, and Grand Coulee.

Reclamation has also developed partnerships with non-governmental organizations such as the Bass Anglers Sportsman's Society, Ducks Unlimited,

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Trout Unlimited, C.A.S.T Foundation and America Outdoors to sponsor fishing and outdoor events in cooperation with local businesses and community groups. In addition to these partnerships, there are over 200 commercial concessions operating on Reclamation projects. These concessions provide the recreating public with a wide range of facilities and services such as marinas, campgrounds, swimming beaches, equestrian centers, and golf courses. Boating, fishing, camping and hunting are the most popular recreational activities at Reclamation reservoirs.

Concessions Management in Reclamation

A. Concession Contract Management

The Secretary of the Interior and the Secretary's authorized representatives have statutory authority to enter into concession contracts for recreation development and delivery of a wide range of recreation services. Concession contracts provide Reclamation with a vehicle to allow commercial entities to provide the visiting public with necessary and appropriate facilities and services. The determination of which facilities and services are necessary and appropriate for a particular site is made through Reclamation's planning process. The types of business vary with the purpose of different areas and the circumstances of each area at the time of contracting.

Many Federal statutes directly apply to the management of concession operations operating on Reclamation-administered lands and water. State and local laws and regulations may also apply depending on the nature of the area of operation's jurisdiction. Some areas are exclusively Federal in jurisdiction, while others involve State and local jurisdiction. The New Melones Lake project is held by Reclamation under "Proprietary Jurisdiction", in which all applicable Federal, State and local laws are in effect.

B. Applicable Authorities and Guidelines

The services to be provided under this concession contract are to be performed under the applicable laws, regulations, policies, and planning existing now or established during the term of the concession contract.

C. Concession Program Management

The Central California Area Office (CCAO) is responsible for oversight of this concession opportunity and will administer the concession contract awarded for New Melones Lake. Policy direction is provided by the Area Manager, CCAO. Additional support to the CCAO concession program may be available as necessary or appropriate from the Mid-Pacific Region and Denver.

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D. Program Management - Operating Programs and Practices

While the role of a Concession Contractor must include well-defined business-oriented goals and management for the Concession Contractor to be successful, the Concession Contractor must also meet the goals of the community and of Reclamation.

Concession Contractors and their staff are important members of the community. The visiting public has both formal and informal information from concession employees. These contacts can have a significant effect on the quality of the visitors' experience.

To manage these effects, Reclamation has developed operating programs, practices, and guidelines that allow Reclamation to supervise Concession Contractor activities in an orderly and consistent manner and establish certain unique approaches to the provision of hospitality and recreation services in the Reclamation system.

E. Resource Protection Considerations

Reclamation expects its Concession Contractors to support Reclamation's mission and to give special attention to the preservation, conservation, and protection of area resources and the environment.

Business operations, educational activities, and employee programs must be conducted in accordance with all applicable environmental laws and in a manner that minimizes negative environmental impacts on the area and encourages others to do the same.

Issues and technologies change over time. The following provide some idea of Reclamation's current resource protection objectives:

1. Solid waste disposal is a major environmental concern and can be a costly problem. Concession Contractors are expected to reduce, reuse, and recycle solid wastes. Concession Contractors should actively work to reduce the amount of trash and waste generated by concession operations and the public at-large, to acquire products with consideration given to the ability to reuse or recycle the product and its packaging, and to recycle all materials possible. An approach that minimizes such trash and ensures recycling where possible is necessary.
2. Water and energy conservation must be practiced in daily operations and incorporated into the design and construction of both rehabilitated and new facilities.
3. Concession Contractor-operated underground and aboveground storage tanks, whether Government or Concession Contractor owned, must meet all of the requirements of Federal, State, and local laws and regulations.

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Responsibilities include prompt, professional cleanup of spillage or leaks, demonstration of financial responsibility, and fulfillment of reporting requirements.

4. The effect of vehicles and other operations on air quality is of concern to Reclamation. Fuel and engine technology is evolving in ways that will benefit air quality. Concession operations should adapt their operations overtime as such changes are proven to be reliable and effective. The use of electric and alternative fuel vehicles is encouraged when possible.
5. Operations may be conducted in natural areas with a variety of wildlife. Concession Contractors must conduct their operations under Reclamation's direction for mitigating human-wildlife interactions and protecting and enhancing wildlife habitat.
6. Employee orientation programs and development must genuinely emphasize the importance of the area's natural and cultural resources and the necessary consideration for those resources by all employees.
7. The Integrated Pest Management Program ensures that the use of chemicals to control plant and insect pests is strictly regulated to minimize such uses and that such applications are the last resort in control efforts. The Concession Contractor must work with the area's Reclamation staff to incorporate this program in its operations and in the areas for which it is responsible.
8. Concession Contractor must comply with the objectives of the National Fire Plan (Wildland Fire) and New Melones Lake Fire Management Plan. The Concession Contractor shall cooperate with fire officials from the Altaville-Melones Fire Protection District to ensure that concession facility operations comply with local fire protection and prevention laws.

The overall objective of resource protection is to conduct operations in a manner oriented toward the use of efficient and cost-effective approaches that minimize negative impacts on our environment. This includes encouraging others to do the same.

Additional important information regarding "protection of resources" may be found in Reclamation's Concessions Management Guidelines in the Section titled, "Environmental Protection and Pollution Prevention."

F. Construction

All construction should harmoniously integrate with the environment where it is located. Facilities that are cultural resources must be managed to maintain their intrinsic qualities through sustained conservation. Architectural style, design elements, and construction materials should reflect the area and its history.

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Plans and specifications for any and all construction and landscaping development on Government-owned lands assigned to the Concession Contractor must be approved, in writing, by Reclamation before the work may begin. Plans must be prepared in accordance with Reclamation standards.

All concession-related construction activities must conform to nationally applicable codes, such as the Uniform Building Code and the National Fire Protection Association codes, including the National Fire Code, in the latest editions. Regional and local codes are to be adhered to when they are more stringent than national codes or address unique issues. Even where area jurisdiction requires adherence to local codes, concession-related construction will conform to any higher standards in national codes. The seismic safety standards are to be applied to new buildings designed and constructed at New Melones Lake.

G. Interpretation

Reclamation expects that its Concession Contractors will, in appropriate ways, assist the visiting public and concession employees to interpret natural and cultural resources in an effort to instill an appreciation of the concession area and the surrounding region. Concession Contractor interpretive messages should include safety, local resource management issues and objectives, history of the area, and interpretive themes. These opportunities and responsibilities are more specifically identified in the contract and Operating Plan for this operation.

H. Rates

Rates and prices charged by the Concession Contractor are subject to approval by Reclamation. Reasonableness and appropriateness of rates and charges will be determined primarily by comparison with those rates and charges for facilities, goods, and services of a comparable character, within the geographic region, operating under similar conditions, with allowances made for length of season, provision for peak loads, accessibility, cost of labor and material, and type of patronage. Consideration will be given to other factors deemed relevant.

I. Equal Opportunity

Reclamation is interested in having its concession operations reflect, through its employees, the cultural and ethnic diversity of the area in which they operate and of the Nation as a whole. Reclamation is also interested in having minority and women professionals participate in the management of the concession. Reclamation believes that a varied and diverse concession workforce will better serve the increasingly varied and diverse clientele that uses Reclamation areas. A program for minority and women employees that advances these goals is desirable.

J. Facility and Reclamation Accessibility

The Concession Contractor will be required to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG) for buildings and facilities. Compliance with ADAAG meets all accessibility requirements under the Americans with Disabilities Act and section 504 of the Rehabilitation Act. The new Concession Contractor must be aware that these requirements can change during the term of the contract and thus may require modification of concession facilities.

An Offeror must demonstrate a commitment to full participation for persons with disabilities. This commitment must represent opportunities for both mainstreaming individuals into the normal use patterns of concession facilities as well as some similar experiences and programs whenever possible and specialized accommodations.

Reclamation recognizes that there are significant variations among concession activities as to the possible range of accessibility and accommodation; however, each Concession Contractor will be expected to handle accessibility issues and inquiries in a supportive and assisting manner that provides maximum opportunities for persons of all disabilities.

K. Utilities

Where utility services are readily available, Concession Contractors will be required to obtain them from local sources. In other circumstances, Reclamation may furnish utilities to Concession Contractors. Rates for services furnished by Reclamation shall be based on actual development and operating costs and according to procedures established by Reclamation.

L. Maintenance Plan

The Maintenance Plan provides area-specific information about required maintenance. The plan will describe the interaction of area maintenance activities with Concession Contractor activities and will specify and describe any maintenance tasks unique to the particular area that must be performed by Concession Contractors and those, if any, that will be the responsibility of Reclamation.

The Concession Contractor generally will be required to maintain, repair, and perform improvements for all necessary “housekeeping” activities associated with the concession operation to the satisfaction of Reclamation. Reclamation, in consultation with the Concession Contractor, will determine the specific maintenance responsibilities and establish priorities and projected completion dates.

The Maintenance Plan will be initiated at the concession area level and signed by both the concession contractor and Reclamation. Such plans may not alter

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provisions in the body of the concession contract document or Reclamation policy.

The initial Maintenance Plan is in Exhibit F of the concession contract. In the Proposal, the Concession Contractor is provided the opportunity to propose changes and/or additions to the initial Maintenance Plan that will be reviewed by Reclamation in the Proposal evaluation and selection process. If appropriate and amenable to both the Concession Contractor and Reclamation, the Concession Contractor's proposed changes will be incorporated into the final concession contract Maintenance Plan Exhibit. The Maintenance Plan will be incorporated into the concession contract by reference and will be a binding part of the contract.

M. Operating Plan

The Operating Plan includes such details about the operations as are necessary for the Concession Contractor and Reclamation to operate smoothly together and provides the Concession Contractor with information as to what specific operating practices are considered appropriate and satisfactory.

Operating Plans may address a multitude of issues. For example: hours of operation, scope and quality of service, management information, lost and found procedures, reservations, advance deposits, cancellation and refund policy, convention policies, rates, safety, sanitation, security, health care, concession employees and employment, complaint review process, prior notification of changes in key management staff, and other areas of concern. The Operating Plan is initiated at the concession area level and signed by both the concession contractor and Reclamation. Such plans may not change provisions in the body of the contract document or Reclamation policy.

The initial Operating Plan is in Exhibit G of the concession contract. The proposed Operating Plan from Offerors will be reviewed at the discretion of Reclamation, and changes will be made as determined appropriate by Reclamation before finalizing Exhibit G of a final contract. The Operating Plan will be incorporated into the concession contract by reference and will be a binding part of the contract.

N. Sale of Souvenirs and Handicrafts

The selection and sale of gifts, souvenirs, and handicrafts in areas administered by Reclamation is restricted by Reclamation policies and is limited to those that are appropriate for the public's use and appreciation of the greater recreation area. The sale of appropriate handicrafts associated with the greater recreation area is especially encouraged. The Concession Contractor will work with Reclamation and its resources/recreation staff to determine what type of merchandise is most appropriate for the recreation area.

O. Insurance

The contract will require the Concession Contractor to purchase and maintain various types of insurance. Minimum coverage limits, as required, are provided in Exhibit I of the concession contract. The contract will require the Concession Contractor to insure any buildings, structures, equipment, furnishings, and merchandise used in the operation. In addition, the Concession Contractor must carry liability insurance adequate for the types of activities it conducts.

P. Preference in the Award of a New Contract

No Preferential Right of Renewal will be awarded in this contract or in the future.

Q. Sub-concessionaires

Sub-concessionaires are not authorized in the concession contract.

R. Compliance with Federal, State, and Local Laws

Concession Contractors operate on Federal land but within the jurisdictional framework established by the application of area jurisdiction. Federal statutes apply to concession operations. State and local laws and regulations also apply.

S. Concession Contractor Risk Management Program

The Concession Contractor will develop, maintain, and implement a documented Risk Management (Safety) Program as part of its proposal. This written program describes procedures, policies, and documentation for a process to minimize incidents and accidents that will affect the visitor, concession employees, and the facilities. The program is described in Exhibit M of the concession contract.

T. Program Management - Financial Programs and Practices

The intention of Reclamation is to contract with individuals or companies to conduct concession activities that are necessary and appropriate to achieve Reclamation goals rather than to have the Government conduct those activities directly. Reclamation requires the payment of a Franchise Fee based on the probable value of the opportunity provided by the Government. Indirect Returns such as in-kind services can be considered as a Franchise Fee in some specific cases. In addition, Reclamation requires that the Concession Contractor establish and maintain a *reserve account for facilities improvement* (RAFI) with monthly deposits calculated as a fixed percentage of Concession Contractor gross receipts.

U. Concession Contractor Pays Operating Costs

The costs of operating the concession will be covered by the Concession Contractor.

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V. Personal Property Belongs to the Concession Contractor

Concession Contractors, not the Government, are the owners of most types of personal property associated with the business being conducted. Personal property may include all moveable equipment, park models, inventory, etc. including vehicles. The Government will not require a succeeding Concession Contractor to purchase such personal property. Reclamation property, if any, will be identified in the concession contract.

W. Concession Contracts May Not Be Sold Without Approval

Concession contracts may not be sold or encumbered without the prior approval of Reclamation. Reclamation is required to make certain findings before approving a sale, transfer, or encumbrance. The potential buyer of the concession contract must complete the same procedure required of the original Offeror, including completion of the proposal in its entirety, and they must be determined qualified through a review process.

X. No Guarantee of Profit

Reclamation makes no guarantee that the Concession Contractor will obtain any profit over the term of a concession contract or of a profit in any given year. It is the responsibility of the Offeror to assure that the terms of its offer provide a reasonable opportunity for profit.

Y. Concession Contractor Review Program

The Secretary, through the Contracting Officer and his/her designated representatives, will maintain a continuing review of concession operations and management. This continuing review will determine if the Concession Contractor is complying with all provisions of the concession contract and will evaluate the Concession Contractor's operation to determine if the Concession Contractor is complying with operating standards. This Concession Contractor Review Program will include, but not be limited to:

1. Compliance with the Development Plan
2. Compliance with the Operating Plan.
3. Compliance with the Maintenance Plan.
4. The quality of the service rendered to the public.
5. The prices that are charged the public.
6. The condition of the premises.
7. The appearance and conduct of employees.

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8. The degree to which facilities are properly maintained and repaired as required by the particular concession authorization.
9. The nondiscrimination policies of the Concession Contractor with relation to both employment and service to the public.
10. Compliance with the Risk Management Program.
11. Compliance with the Environmental Management Program.
12. Compliance with the RAFI.
13. Compliance with U.S. Public Health Service standards and requirements and State and local health codes that may be applicable.
14. Compliance with practices that foster a safe environment for the public.
15. Compliance with the various administrative, reporting, and financial requirements of the concession contract, including any applicable construction program.

Periodic written evaluations will be prepared by Reclamation officials on a schedule set forth in the Operating Plan, following the procedures and requirements of Reclamation's Concession Contractor Review Program. From these evaluations, an overall rating will be established. Failure to operate in a satisfactory manner, as determined by the Concession Contractor Review Program, may be cause for termination of a concession authorization in accordance with the terms of this contract.

PART 3

Instructions to the Offeror 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 non-responsive bid/offer 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 Reclamation Manual Policy and Directives and Standards, as amended.

Proposals must be received by 4 p.m. on the date shown on the front page of this prospectus. Public notice has been given.

Only an Offeror 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 outlined in 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. Offerors 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 non-responsive by Reclamation will be rejected and will not be further evaluated.

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B. Schedule of Meetings and Concession Facility Tours

All interested parties may tour the concession locations and discuss the requirements of the prospectus at the following (non-mandatory) scheduled meeting(s). To ensure fair competition, no other meetings will be held.

Table 1 - Meetings and Concession Facility Schedule

	Meeting Date	Time	Location
1.			
2.			

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 and sequence provided in the prospectus in its entirety and without significant alteration when applying for the concession contract. Failure to submit a proposal according to these instructions without alteration (except for filling in the indicated blanks) will render your proposal nonresponsive. General directions on submitting a bid are located throughout this PART 3 of the 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.

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., Principal Factor 3, criterion B3 (b) 2.a [re: role of management individuals]).

3. *Additional Information*

Please include any additional information you may deem relevant to your proposal, but stay within the indicated organizational frameworks of the prospectus.

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D. Where and How to Submit a Proposal

Completed proposals and any modifications must be submitted to Reclamation at the address below by the close of business on the due date shown on the front page of this prospectus. Proposals may be delivered in any manner convenient to the Offeror during the normal business hours of the receiving office.

1. Submit eight hard copies of your proposal following the format of the proposal presented within this prospectus. Also submit 10 complete electronic versions on CDs 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 CDs. Submitting less than the requested types and numbers 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. “NEW MELONES 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 Offeror. Offerors submitting their bids by an express carrier must include their street address and phone number.

E. Proposals will be Considered Public Documents

All proposals submitted in response to this prospectus will be disclosed by Reclamation 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 Offeror believes to be exempt from disclosure under the Freedom of Information Act. The Offeror requests that this information not be disclosed to the public, except as may be required by law.

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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 Offeror 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.

Information so identified shall not be made public by Reclamation except in accordance with the law.

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 Offerors through the mail, email or the Prospectus website. Questions received after the submittal date may not be answered. Because Reclamation must provide equal information to all potential Offerors, there must be sufficient time allowed to inform all potential Offerors of such questions and answers.

To the extent appropriate, verbal questions regarding certain aspects of this prospectus and the existing facilities will be answered during the scheduled meetings and location tours as identified in preceding section 'PART 3 sub-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. Offerors 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 Offeror's proposal in response to the requests for information and questions set forth under each 'Criterion.' The Offeror's response will be evaluated and rated by the panel. Each Principal Factor will be independently evaluated and the panel will assign

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a score up to the maximum amount indicated for the individual Principal Factor or as low as zero. Any of the Principal Factors determined to be non-responsive will result in the bid not being further considered.

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 Offeror exceeds other Offerors on an overall basis.

H. Selecting the Best Proposal

Reclamation will select as the best bid the proposal 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 concessionaire. The new contract(s) also will not include any “Preferential Rights” and will be issued in accordance with Department of Interior Policy and the associated Directives and Standards and the Reclamation Concessions Management Guidelines.

J. Cautions to Offerors Re: Submission and Evaluation of Proposals

1. 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 Offeror should rely on any oral representations made by Government officials regarding this prospectus.
2. The proposal describes all the Principal Factors and criteria, the responses to which will be used by Reclamation to evaluate proposals. You, the Offeror, should ensure that you fully respond to all questions provided under each Principal Factor. Don’t assume that individual panel members may be aware of your background and experience or will give you credit for those items unless it is clearly provided by you in writing in response to the PART 5 of this prospectus.
3. 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

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for proposals. Send your comments to the person named on the front page of this prospectus for the receipt of proposals. If you send a 'disagreement' with a statement in the prospectus and Reclamation determines that the information provided to all bidders was accurate, 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.

4. The information included in this prospectus, including all appendices and other attachments, is provided to allow Offerors 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. Offerors are therefore encouraged to thoroughly review all information and required submittal documents before preparing a proposal.
5. 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. Additional credit will not be considered and proposals that indicate their bid is dependent upon the approval of their expanded business proposal will be considered non-responsive.
6. A proposal to provide direct or indirect monetary or other benefit to New Melones or the Government that is not within the scope or requirements of the concession contract will not be considered in the evaluation of proposals.
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.

The concession's rates for goods and services shall be similar to the rates for comparable goods and services in local and regional markets. Reclamation shall have the authority to make the final determination of appropriate rates; therefore, the projected income

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statements and cash flow statements and the benefit to the Government (franchise fee) proposed by the Offeror should reasonably reflect such comparable rates.

8. 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. This is true even if you are the past or current concessionaire at New Melones or a concessionaire in another Federal Area. Reclamation may verify through contact with other parties any aspects of your proposal or identified applicable background that may need clarification or confirmation.
9. 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. This draft contract represents approximately 95%-98% of the intended final contract. Certain aspects cannot be finalized until a successful bidder is selected and those aspects of their proposal that resulted in their selection are addressed in the final contract. 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 Offeror 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.
10. 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 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.
11. Offerors may anticipate that, under their management, the concession's future gross revenues could differ from

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Reclamation's gross revenue projections provided in this prospectus. Indeed, Offerors should, in their proposals, present their own revenue projections and substantiation for those projections. Regardless, Offerors should understand that Reclamation will apply only the gross revenue projections presented in this prospectus as a common basis when evaluating and comparing competing franchise fee proposals. This is necessary to ensure an equal basis for review among many Offerors.

12. Reclamation may request, from any Offeror 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. An Offeror may not amend or supplement a proposal after the submission date unless requested by Reclamation to do so and unless Reclamation provides all Offerors that submit proposals a similar opportunity to amend or supplement their proposals.
13. The selected Offeror must sign the concession contract promptly after selection of the best proposal and within the time established by Reclamation. If the selected Offeror fails to sign the concession contract within a reasonable timeframe as determined by Reclamation, 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.
14. Document delivery services that offer overnight delivery may not provide true overnight delivery to some areas. Offerors 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.
15. Reclamation will include, as terms of the eventual new concession contract, appropriate elements of the winning proposal selected for award of the concession contract. Such appropriate elements of the proposal may include, but are not limited to, components of the Offeror's proposed Operating Plan, Maintenance Plan, Environmental Management Program, or Risk Management Program.

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16. Offerors 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. Offerors should not rely on any representations of Reclamation in this regard.
17. If during the concession contract term, Reclamation and the concessionaire mutually agree that the concessionaire may provide a service that is not stipulated in the concession contract, the concession contract may or may not be amended, in line with Reclamation directives, to include that service as a requirement of the concession contract, subject to the same contractual obligations and limitations as other stipulated services. A similar action could release a concessionaire from having to provide a service that both parties agree is no longer necessary.

K. 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.

Part 4

The Business Opportunity

A. Introduction

The Recreation Setting

Reclamation is requesting proposals from interested parties for development, management and operation of a concession business at New Melones Lake, located near the town of Angels Camp in Calaveras County, California. This business will be conducted under the terms and conditions of a Concession Contract between the successful bidder and Reclamation. The business shall be operated on a year round basis, subject to certain seasonal adjustments. Reclamation will require, through the Concession Contract, the successful bidder to provide a marina operation with associated amenities, recreational vehicle camping, rustic overnight lodging, limited day use and retail sales for short term visitors. Additional services and facilities may also be proposed by Offerors.

New Melones Lake is the operating reservoir for Reclamation's Central Valley Project, Eastside Division (New Melones Project). New Melones Lake is located in the northern Sierra foothills, approximately six miles north of the town of Sonora in Tuolumne County and 8 miles south of the town of Angels Camp in Calaveras County, California. The boundary line separating Tuolumne and Calaveras Counties travels through New Melones Lake along the historic course of the Stanislaus River. Travel time to New Melones Lake from Sacramento is approximately 2 hours and it is a 3 to 4-hour drive from various locations in the San Francisco Bay Area. Within this 2 to 4-hour driving distance there are 8 to 10 million people. New Melones Lake is a popular camping, boating and stopping point along the Highway 49 "Golden Chain" Highway for visitors traveling to and from historic Gold Rush Era town, Yosemite National Park and other destinations.

At capacity, the surface of New Melones Lake covers nearly 12,500 acres; stores over 2.4 million acre feet of water; has nearly 100 miles of shoreline extending 15 miles upstream from the

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dam; covers approximately 20 square miles; and the total Federal water project area is approximately 30,000 acres.

Annual visitation at New Melones Lake averages between 650,000 and 700,000 people. In 2008, the annual visitation reached 872,000 visitors, which was the most ever documented.

The New Melones Project area is physically attractive and provides scenic vistas to visitors both on the shore and from the lake. There is little development that impedes or detracts from the views or the general ambiance of being in a remote recreational area. Several remote areas of New Melones Lake are managed as either a semi-primitive or rural natural area, with a large portion of the main lake area managed as a rural developed area.

New Melones Lake has two developed recreation areas known as Tuttle town and Glory Hole that are operated by Reclamation. Both recreation areas have multilane boat launch ramps; over 300 developed campsites with paved parking pads; flush restrooms and showers; several day use areas; and numerous hiking/biking trails. This business opportunity is for the Glory Hole Concession Area, located within Glory Hole Recreation Area.

Over 10% of all of Reclamation's developed campsites, group campsites and day use areas at New Melones Lake are compliant with the Americans with Disabilities Act and Architectural Barriers Act (ADA/ABA). Restrooms, showers, parking lots and walkways also meet the requirements for ADA/ABA compliance. It is Reclamation's responsibility to ensure accessibility and a like experience throughout the developed recreation areas for all visitors. Within the Glory Hole Concession Area, it is the Concession Contractor's responsibility to meet all accessibility requirements and to comply with all Applicable Laws. Meeting accessibility requirements can be challenging given the terrain and fluctuating water levels. For more information about the important requirements for ADA/ABA-compliant facilities, see PART 6 Exhibit A Section 2 (Accessibility), Section S of this PART 4, and Section 2.B.2 of the Draft Concession Contract (PART 6 of this Prospectus).

Glory Hole Recreation Area has a Reclamation-operated wastewater facility; and potable water is provided from three groundwater well sources. More information about utilities, including those available for use by the Concession Contractor is provided in this PART 4, Section L.

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Glory Hole Recreation Area is located in Calaveras County and is the most heavily visited recreation area at New Melones Lake. Glory Hole Recreation Area has a concessionaire operated, full service marina with associated amenities operated by a concessionaire under a short-term interim contract. Reclamation operates three day use areas, two campgrounds with nearly 150 developed campsites, and two boat launch areas located at Glory Hole Point and Angels Creek. Glory Hole Point has four elevations of launch areas each with four to six launch lanes to provide access in response to the fluctuating lake elevations. Angels Creek has a single launch ramp with four lanes. Angels Creek ramp closes when lake levels drop below 980' elevation. Both boat launch areas have extensive paved parking, restrooms, and other associated amenities.

The Glory Hole Recreation Area is known for its 12 miles of hiking/biking trails. Hikers and bicyclists are able to travel along quiet secluded coves as well as through developed recreation areas. These trails can provide either challenging hikes/rides or easy paced walks with scenic views of the lake. All trails are operated and maintained by Reclamation. The campground is fully developed.

A public amphitheater is located in the Glory Hole Recreation Area at the Iron Horse Campground. Reclamation utilizes the amphitheater to provide a diverse range of interpretive programs relating to the Gold Rush Era, wildlife, astronomy and many other educational topics throughout the summer recreation season. These presentations are quite popular and attended by both campground visitors and local area residents.

Tuttletown Recreation Area has three campgrounds with over 150 campsites. The campgrounds are fully developed with paved parking pads, flush restroom facilities, showers and running water. Tuttletown has 3 day use areas and approximately 11 miles of hiking/biking trails. A boat launch area has launch ramps at four different elevations supporting two to four lanes for boat launching. The different elevations allow for launching in response to the fluctuating lake elevations that occur at New Melones Lake. There are currently no commercial services located in Tuttletown Recreation Area.

Reclamation has a Special Use Permit system that allows for numerous events to be held at both Glory Hole and Tuttletown Recreation Areas. Examples of these events include triathlons, bicycling races, geocaching, and fishing events. New Melones is

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also a very popular place among area organizations visiting California's "Mother Lode" area while attending events such as the Calaveras Frog Jump, Sonora Rodeo, Celtic Days, and Murphy's Irish Day Celebrations. Tourists frequently visit New Melones Lake as part of year-round travel itineraries featuring Gold Rush Era towns, foothill lakes, ski resorts, Yosemite National Park, the Stanislaus National Forest and Calaveras Big Trees State Park. Visitors can also participate in whitewater rafting, rock climbing, caving and many other activities.

There is an abundance of wildlife at New Melones Lake and hunting for deer, turkey, waterfowl and upland game birds are very popular. Hunting is permitted throughout the New Melones Project except in the established recreation areas and administrative sites. The Peoria Wildlife Mitigation Area (PWMA) located on the west side of the lake, continues to be one of the most popular walk-in areas for viewing and hunting opportunities of deer, turkey, and upland game birds. The lake provides excellent opportunities to watch both Bald and Golden Eagles soar in the winter and Osprey fishing in the summer. New Melones is also home to numerous other birds and wildlife making it a wildlife viewing haven for all to enjoy.

Fishing for trout, bass, kokanee salmon, bluegill, crappie and catfish is a year-round activity for the general public. Trophy sized bass can be caught, thus making it a popular tournament fishing lake. These tournaments occur year-round and are held by small local groups to large organizations such as Western Outdoor News.

New Melones Lake also offers many other opportunities for dispersed recreation. The PWMA has an equestrian trail traversing over 9 miles throughout the west side of the lake. Along the upper reaches of the Stanislaus River, opportunities abound for whitewater rafting, boating and skiing, fishing, hunting, and bird watching. The Angels Creek area provides visitors with an ability to "get away" to a secluded rural natural area to enjoy boating, fishing, and waterskiing. The lake also has many protected coves that are ideal for those in search of secluded houseboat mooring locations.

Some History

New Melones Lake was authorized by Congress with the passing of the Flood Control Act of 1944 (PL78-534). The original Act was then modified by the Flood Control Act of 1962 (PL 87-874). These Acts authorized construction of the New Melones Project for the purpose of flood control, irrigation, power generation,

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general recreation, water quality and fish and wildlife enhancement.

New Melones Dam was constructed by the U.S. Army Corps of Engineers and upon completion in 1979, turned over to Reclamation to operate and maintain. The dam impounds water from the Stanislaus River and its tributaries within a 980 square mile watershed and is the fifth largest reservoir in California.

As the operating reservoir for New Melones Dam, the lake fluctuates seasonally in response to downstream water needs for agricultural, industrial and residential water use as well as environmental commitments. Due to the weather patterns in this part of California, rain and snow can be either plentiful or so minimal that drought conditions are created. The reservoir can fluctuate over 100 feet in elevation levels based upon climate conditions and water use. New Melones Lake has a gross pool elevation of 1088 feet above mean sea level (msl), while low pool is approximately 920 feet msl. This fluctuation in lake levels can cause issues with accessibility to the water for visitors including campers, day use visitors, boaters and fishermen. Currently, the New Melones Continuity of Operations Plan for water releases is being reviewed and updated. Based upon the outcome of this review, greater lake fluctuations may occur in the future.

New Concession Services

Concession operations at New Melones Lake provides two levels of service choices for bidders: Required Services, which are a base level of services (marina services, houseboat mooring, boat rentals, RV camping etc.) and Authorized Services, which are services that the bidder may list in their bid. (See Section F of this PART 4 to understand changes to this Required and Authorized concept applicable to this Prospectus and concession contract opportunity).

Existing Concession Services

The current Concession Contractor has focused for the most part on the establishment and management of houseboat rental and mooring services and pleasure boat, personal watercraft and wet slip rentals, including associated marina operations such as wastewater pump out services and fuel sales. Houseboat and pleasure boat mooring is very popular, with the Concession Contractor maintaining a continuous waiting list for slip vacancies. Short-term houseboat and pleasure boat rentals are very popular.

The current Concession Contractor, through the operation of a floating marina store, provides for retail sales of sundries, clothing, food and beverages (including beer & wine sales) along with

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boating, fishing and camping supplies. The store also manages the houseboat, pleasure boat and personal watercraft rentals.

The current concession operator offers a variety of public facilities and services. These facilities and services include:

- Boat Slip Rental
 - 56 Covered slips 10' x 24'
 - 44 Open slips 10' x 60'
 - 38 Full Service Houseboat Slips 15' x 50'
- Slips have water, sewage pump out, and metered electricity
 - 50 Mooring Balls for private House/Pontoon Boats
- Boat Rental
 - 13 Houseboats
 - Varying sizes from 45' to 75' in length
- 20 Pleasure Boats
 - 4 - 14' fishing boats
 - 8 - 18' ski boats
 - 8 - 20' Pontoon Boats
- 7 Jet Skis
 - Providing both single and passenger watercraft
- Boat Repairs
 - Minor
- Marina Store
 - Limited Food & Beverage Service
 - Clothing
 - Beer & Wine Sales
 - Camping & Fishing Supplies
 - Marine Fuel
 - Wastewater Pump Out Services

With new and improved site facilities and implementation of business models focusing on short-term recreation use, the visitor profile is not anticipated to change significantly but could provide more opportunities for visitation and enhanced business opportunities. Visitors from the San Francisco Bay Area, Sacramento Region, and Northern California, who are already using numerous other reservoir areas around the Central and Northern portions of California, should continue to be attracted to

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New Melones given the beauty of the landscape, scenic lake vistas and diverse recreation opportunities. These features combined with expanded commercial concession services and facilities should enable the operation to continue to be financially successful and draw from those heavily populated areas of Northern and Central California.

B. Services to be Provided

The Prospectus is providing a business opportunity for the new development of commercial recreation and support facilities, with emphasis on provision of a new full service marina and related amenities. In addition, the Prospectus provides the opportunity for new services not previously included in the concession area, such as limited overnight lodging, recreational vehicle (RV) park, expanded retail services, dry and/or stack boat storage, marine repair services, and valet launching service. These services were included in the New Melones Lake Area Resource Management Plan and Record of Decision (RMP/ROD) signed on June 24, 2010, and were then analyzed as part of the Commercial Services Study dated April 2011. The Commercial Services Study contained a Financial Feasibility Evaluation that identified opportunities and constraints for various commercial operations at New Melones Lake. A recent follow-up 'Financial Feasibility Evaluation Adjustment' in preparation for this Prospectus has refined the 'Services to be Provided' in light of current economic parameters and more specific expenses and financial requirements that reflect the Business Opportunity outlined here (See PART 7.3 to review this recent Financial Feasibility Evaluation Adjustment). In addition, a Marina Siting Study was conducted to determine whether the current location of the marina is the best location for marina services under the new long-term concession contract, or whether other sites may be more feasible. The Marina Siting Study recommended that the best site for a marina would be a more geographically protected cove that would reduce the occurrence of property damage from winter storms (see Section C for more information).

A summary of services and facilities, both Required and Authorized, for the proposed new development offered under this Prospectus includes:

- Pleasure Boat and Houseboat Slip Rentals
 - Covered (As an Authorized option)
 - Full Service
 - Open (uncovered)
 - Mooring Balls*

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- Boat Rentals
 - Houseboats
 - Pleasure Craft
 - Personal watercraft
 - Pontoon (Patio)
 - Non-Motorized
- RV Sites/RV Park
 - Full Service Hook-up capabilities
- Overnight Lodging
 - Yurts, cabins, or Park Model type accommodations
- Retail Facilities
 - Clothing
 - Convenience Food and Sundries Sales
 - Restaurant Service (as an Authorized option)
 - Beer & Wine Sales
 - Merchandise, Sundries and Supplies
- Marina Facilities
 - Fuel
 - Wastewater Pump Out
 - Marine Repair Services
 - Houseboat Launching & Retrieval
- Dry Boat Storage
 - Dry Yard*
 - Stacked Storage (as an Authorized option)
 - Valet Launching/Retrieval
- Day Use
 - Group and/or individual picnic sites
 - Fishing Dock – ADA Accessible
 - Fish Cleaning Station
 - Designated Water Play Area (as an Authorized option)

All facilities needed to support the above services, including but not limited to: associated parking, paths and walkways, utilities and infrastructure, signage, corporation yard or storage facilities, business offices etc.

* Mooring Balls at the current location will be continued on a seasonal basis to permit houseboats and other pleasure boats an area for additional on lake storage during the summer months.

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Reclamation will determine the season length in the contract. The concessionaire will be required to provide off-season dry boat storage for those customers when mooring balls are not available.

C. Location of Services

This Prospectus calls for the construction of new marina and concession services at a more protected and feasible site (Black Bart section of the Glory Hole Concession Area – See Maps in Part 7.4 or in the Draft Contract Exhibit B), along with the opportunity to continue to utilize the existing concession site. Offerors should carefully review the information provided, including the Commercial Services Study, Financial Feasibility Evaluation and Marina Siting Study, before deciding on their site development proposal (all these documents are included in PART 7 of this prospectus.)

Current Marina Site

The current marina site is located on the south-east side of Glory Hole Point peninsula. The location is a large cove providing houseboat and pleasure boat mooring and all amenities and associated services.

The land based operations include a maintenance yard and maintenance services building, which include small boat repair facility, concession operations office and supply storage. The concession area water well and two 55,000 gallon potable water storage tanks are located adjacent to the maintenance building. The maintenance yard is fenced and utilized by the current Concession Contractor for storage of concession-related personal property including rental houseboats, pleasure boats, and personal watercraft during the off-season or when demand for them is low. Additional land based facilities include paved and unpaved roads, a paved marina access ramp, two paved parking lots with overhead lighting and one unpaved parking lot for marina guests and a full hook-up RV site for temporary occupancy by the concession manager and/or site security staff. There are no day use facilities currently provided by the concessionaire.

During the winter months, the current marina location is exposed to a stretch of over seven miles of open water. This open water creates a wind fetch occasionally approaching 65 to 80 miles per hour of velocity that can strike the cove and marina. Over the years, this fetch will frequently create a wave pattern that has damaged or destroyed numerous houseboats moored in the cove as well as damaging the marina itself. In an effort to protect the marina and the water quality of New Melones Lake, Reclamation

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has permitted the current Concession Contractor to close seasonally and move the marina facilities during the winter months to a site just northwest of the existing marina location, and anchor in the cove adjacent to the Black Bart Day Use Area (Black Bart area), within the Glory Hole Recreation Area (See area map in PART 7).

The Commercial Services Study and Financial Feasibility Evaluation indicated that a new marina location would be desirable to prevent future storm damage. A Marina Siting Study was performed in April 2011, which indicated that the Black Bart area would be better suited as a future marina location because of its proximity to the existing marina infrastructure, deeper water and greater protection from winter storm patterns. An added benefit of this location over others studied is its proximity to the existing marina infrastructure. The Marina Siting Study found that under certain conditions, the existing marina location could continue to be utilized for some specific operations. However, such continuance of water-based operations at the current location would necessitate other considerations, such as seasonal operation of marina facilities, removal of all moored boats in the winter, installation of a substantial wave attenuator, or other methods for combating the challenges from winter storms (*See above note re: the continuation of Mooring Ball usage at this location).

Proposed New Marina Location

Under this Prospectus the marina and concession services for New Melones Lake are proposed to be developed at the Black Bart Day Use Area and the adjacent cove, northwest of the current marina location. The new location would provide much better wind protection, opportunities for additional short term recreation uses including overnight lodging and RV camping, a fishing dock, day use areas, convenient foods and sundries, and improved retail sales. The current area of the existing marina concession would continue to be available to the incoming Concession Contractor under this offering for future use to provide approved concession services, such as operations and maintenance yard, office facilities, dry boat storage/stack storage, guest parking, boat repair services, possible RV camping area, and hand launching opportunities.

Other Concession Services

The proposed new marina location is conducive to year-round and expanded concession operations. Provision of full hook-up RV camping shall be a Required Service of the concession operation. Overnight lodging such as yurts, cabins or park models will also be required. Reclamation's existing paved road and parking lot at

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Black Bart Day Use Area are adequate to provide access and parking for use by RV campers and marina visitors, and potentially for overnight lodging guests as well. The Concession Contractor shall be responsible for installation of the RV camp sites and a paved turn-around or “hammerhead” type of vehicle turn around to meet the turning radius of a fire truck and other apparatuses.

The Concession Contractor is required to provide concession-operated day use sites as a Required Service within the concession area. The Concession Contractor must provide a minimum of 10 day use sites with picnic tables, barbeque grills and trash receptacles that can be single or group use and in a configuration to be approved by Reclamation. This requirement for development of new commercial day use sites is to serve as a replacement for those currently existing in the area that will be assigned to the Concession Contractor and transferred from general public use.

Areas that could be used for concession-operated Day Use sites include a portion of the land use area within the existing concession site (such as the area near the concrete ramp and parking area at existing marina location), and an area adjacent to the proposed marina site in the Black Bart area. All sites provide opportunities for development of individual and group picnic sites.

The Concession Contractor would be required to either upgrade Reclamation’s current restroom building at Black Bart Day Use Area to include public shower facilities, or build services to include commercial shower facilities. Reclamation’s existing restroom will be assigned for the concession contractor’s use as a part of the overall land assignment. One example of an approved restroom design is provided in Reclamation’s Recreation Facilities Design Manual. The Concession Contractor would be required to furnish additional public restrooms on the marina docks and at other locations as required to meet Federal, state and local laws and regulations.

The Concession Contractor shall have the opportunity to connect to Reclamation’s existing potable water system and wastewater collection system. As a result, the concessionaire will pay Reclamation for the utility services as described in Reclamation’s Manual, LND 04-01 (Utilities). If the new Concession Contractor wishes to connect to the existing Reclamation wastewater system, then the Concession Contractor shall be responsible for the installation of any new lift stations and piping which may be

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required for connection to the existing wastewater system. More information regarding utilities is provided in Section M.

Reclamation has developed an Environmental Assessment (EA) in compliance with the National Environmental Policy Act (NEPA) to address at a conceptual level the services proposed to be provided under a new long-term concession contract for the Glory Hole Concession Area. The EA addresses general information regarding installation of wastewater lift stations and connection to the force main sewer system, drinking water service line from the existing main line to the concession area, a vehicular turn around (having a radius large enough to accompany a fire apparatus and other large vehicles), RV camp sites, overnight lodging sites, day use area or sites dry storage, and marina siting in Black Bart Cove. As outlined earlier there will also be the retention of the existing mooring ball field on a seasonal basis. Additional site specific planning and environmental compliance documentation for contractually permitted services shall be the responsibility of the Concession Contractor.

Proposals under this Prospectus must be based on the Concession Contractor providing all necessary improvements/infrastructure for all services included in the Offeror's proposal.

An opportunity may exist for temporary use of certain existing facilities. The current contract does not require the outgoing concessionaire to remove all of their former facilities, and some are envisioned to remain upon expiration. Those that remain at the end of the current concession contract and which become the property of Reclamation and may, with Reclamation's approval, be available for temporary assignment and use by the incoming concessionaire to provide transitional services until the concessionaire can replace them with new facilities. Such use may require compensation to Reclamation, unless the Offeror includes in their proposal a commitment to remove and dispose of the prior facilities upon cessation of use in lieu of rental payment. The concessionaire's cost to remove the existing facilities would be considered to be offset by revenue generated from free use of the facilities; as such the removal cost would be a binding part of the financial obligation of a new concessionaire. For a preliminary list of facilities which may remain onsite upon expiration of the existing concession contract, see PART 6-Exhibit D. Additional facilities may be available for lease or purchase by the Offeror subject to approval by Reclamation along with a negotiated monetary agreement with the outgoing concessionaire.

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It is extremely important for Offerors to evaluate both the existing and proposed new concession sites prior to submitting a proposal for concession services at a selected location.

D. No Contractual Right of Renewal Preference

The Concession Contractor that either had or currently has a contract at New Melones Lake will not be given any preferences in regard to award of this contract or renewal of future contracts. The Concession Contractor of record who wishes to be considered for a new contract must compete on an equal basis with all other parties submitting proposals.

E. Future Facilities

This section of PART 4 describes the general types and quantities of planned new or continuing concession facilities and services, and any changes in those facilities and services that will either be required in the future. This section also includes a brief description of the facilities the new Concession Contractor will be responsible for constructing and maintaining.

This opportunity provides flexibility for Offerors to identify their own business models (within certain parameters); therefore the Prospectus does not identify exact facilities to be retained or rehabilitated or new facilities to be built.

As described in Section C above, certain infrastructure and facilities, termed Reclamation Improvements, remaining from the former Interim Concession Contract may be available for use on a short term basis, to permit initiation of business operations and promote continuity of recreation services while new facilities are being developed. The specific Reclamation Improvements, and the length of time permitted for such use will be determined cooperatively with Reclamation. In return for the ability to use the Reclamation Improvements at no cost for a specified time period, the Concession Contractor will be required to remove and properly dispose of those Reclamation Improvements (formerly belonging to the previous Concession Contractor) which no longer have a usable life or that will no longer be used as part of the new concession operation. The Concession Contractor will not be tasked to remove or have to be involved with any property from the outgoing Concession Contractor that is not directly assigned for their use in providing transitional or permanent services.

Table 4-1 summarizes the minimum Required Services that Reclamation will require at the Glory Hole Concession Area, as well as additional

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Authorized Services which can be proposed by the Offeror. Cumulatively, these Required and Authorized Services and facilities are intended to assist in portraying an acceptable business mix for concession operations

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Table 4 - 1: Minimum Required Services by Reclamation

Facilities & Services	Required (minimum) Services	Authorized Services	Total
Slips Rentals			
Private Houseboat Slip Rentals (each)	66		66
Pleasure Boat Slip Rentals (each) Open	110		110
Slip Rentals (each) Covered		55	
Transient Slips	10	10	20
Mooring Balls, Seasonal	50		50
Watercraft Rentals			
Commercial Houseboat Rental	18		18
Pleasure Boats	5	4	9
Personal Watercraft	6	6	12
Pontoon (Patio)	5	5	10
Fishing boats	6	6	12
Kayaks/Canoes	5	12	17
Paddle Boards	3	3	6
Recreation Supply Store Retail			
Food	1	0	1
Beverage	1	0	1
Firewood	1	0	1
Marine Fuel (dock with 2 dispensers)	1	0	1
Wastewater Pump-out Service	1	0	1
Minor Marine Repair Services	1	0	1
Boating Supplies	0	1	1
Camping Supplies	0	1	1
Sundries	0	1	1
Beer/Wine Sales	0	1	1
Restaurant			
Water or Land Based	0	1	1
Interpretive Dinner Cruises	0	1	1
Dry Boat Storage			
Dry Yard Spaces	50	0	50
Dry Stacked Storage Spaces		100	100
Launch/Retrieval Service	0	1	1
Non-motorized Boat Launch	0	1	1
Lodging			
RV Sites	22		22
Overnight Lodging Units	9	0	9
Visitor Services			
Day Use Sites	10	10	20
Fishing Dock	0	1	1
Fish Cleaning Station	0	1	1
Reservation Services	1	0	1

F. Required and Authorized Services

Throughout PART 4 and PART 5 of this Prospectus you will note various references and discussions regarding Required and Authorized Services. In the draft contract (PART 6 of this Prospectus) there are only Required Services and no references or optional allowances for Authorized Services. In PART 4E preceding please review Table 4.1 that outlines all

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the services that are stipulated as Required Services (this means they are mandatory to provide for any bidder wishing to submit an acceptable offer). Table 4.1 also outlines those services that are stipulated as Authorized Services as applicable to this Prospectus and concession opportunity. The options for Authorized Services only exist as it applies to how you structure your bid and determinations you may make regarding the services outlined as Authorized (Table 4.1) regarding whether you intend to provide none, some or all of them. Once you submit a bid indicating and highlighting the Authorized Services you propose conducting you **MUST** be prepared to follow through and actually provide those services if you are selected as the winning offeror. Those services noted as Authorized that you propose to offer will become **REQUIRED** services in an eventual final contract and they are no longer optional.

This stipulation is made because offerors who indicate a willingness and financial ability to provide some or all of the Authorized Services from Table 4.1 may receive added points as a part of the overall review and scoring of the competitive bids and it would be inequitable to credit a bidder who did not have a commitment for following through on a proposal. The only difference in regard to the eventual final contract wording between those services noted as Required and Authorized will be, as noted in Table 4.1, that the original Required Services must be fully available and necessary construction completed within the time noted in the Development Schedule.

Once a contract is in force, adjustments may be made to Required Services in recognition of unforeseen situations and conditions that develop. Such adjustments may require a contract amendment. Any such changes would only occur with the approval of Reclamation and only when there is a valid reason presented and investigated and determined to have appropriate merit to initiate a change.

G. Concession Facilities Improvement Program

The proposed building and development programs of the various proposals will be an important part of the proposal evaluation as identified in PART 5 of this Prospectus. Once the best proposal is determined, Reclamation will develop wording for Section 4 of the contract based upon the winning Offeror's proposal. All Offerors should be aware that they will be expected to abide by any offers or programs presented in their proposal, if they retract or otherwise indicate an unwillingness to perform as proposed, that will be adequate reason to select another Offeror or to declare a default if a contract is already negotiated and approved by Reclamation.

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Reclamation will provide the Development Plan Timeline for Required Services (see Exhibit H-1), which will become part of the Concession Facility Improvement Plan (CFIP) upon contract execution. Any additional Authorized Services which the Concession Contractor includes in an accepted bid proposal shall be included in a supplementary Development Plan Timeline provided by the Concession Contractor after contract award. Supporting Concession Area Infrastructure, utilities and amenities associated with the provision of Required Services shall also be included in the CFIP.

H. Describing Future Services and Facility Ambiance

Future services are those proposed or necessary to operate the proposed visitor facilities. Services will be provided, based upon the successful proposal, to the general public for the likely operation of overnight lodging, convenient food and sundries, RV camping, marina, retail sales, and any other active commercial programs. Efforts to improve the quality of service beyond the existing levels are an expected part of any likely winning proposal. Offerors need to make a strong effort to identify their proposed level of service and ambiance for each activity.

Offerors should pay close attention and adhere to Reclamation's Concession Directives and Standards (LND 04-01, Sec. 3.B.8) that reads, "Facilities must be harmonious in form, line, color, and texture with the surrounding landscape." Reclamation retains the right to make final determination of disposition of architectural design, color and finish. Simply stated, the proposed facilities, including the marina, must blend into the immediate background. All facilities should project a similar "theme" or design and appearance. The Offeror should describe and demonstrate how they plan to meet this requirement.

The following are examples of how some levels of service and ambiance might be described:

- Overnight Lodging (Park Models, Cabins or Yurts) – Overnight lodging installations will include appropriate pastoral landscaping for the New Melones Lake area; parking areas shall not detract from the experience or the lodging surroundings; separation between other structures shall be provided for reasonable privacy; and furniture and amenity packages chosen with the purpose of establishing an ambiance that is uncluttered, relaxing, and fostering a quality customer experience expected when staying at a 'cabin by the lake.' Employees will be trained to recognize the expectations of guests in cabin-type facilities and project an attitude compatible with those expectations.

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- Food & Beverage (Full Service Restaurant) (If Proposed) – The restaurant facility will be architecturally designed internally and externally to project an ambiance that suggests an experience beyond the food and drink available. It links with the other services and facilities at this concession and provides guests with a comfortable and enjoyable introduction or closeout to a day at the lake. The menu will offer a variety of selections adapted for the likely recreational clientele at New Melones. Employees will be trained to recognize the expectations of dining guests and family groups and project an attitude compatible with those expectations
- Marina Operations – All marina facilities will be easy to access without unreasonable transitions from one walking surface to another. Facilities will be attractive without unsightly hoses, lines, or equipment in seeming disarray that detracts from the appearance or an efficient operation. Procedures and equipment will be designed to effectively handle water fluctuations and the need to adjust the position of the floating facilities. There will be no unenclosed foam flotation utilized on any dock. Potable water and wastewater pump-out facilities will be available at a public-use dock facility. The concessionaire’s employees will be trained to recognize the expectations of marina users and project an attitude compatible with those expectations.
- Retail Operations - All retail sales areas will be designed to be architecturally compatible with other facilities. The inside sales area will not be cluttered and will permit access throughout the store to disabled shoppers who may be using a wheelchair, scooter, walker, etc. The concessionaires employees will be trained to be knowledgeable regarding the retail items sold and able to assist guests in finding the items they need.
- Other Operations – Incorporate wording that is similar to the preceding samples. Exact services and level of ambiance will be determined as identified elsewhere through the proposal process.

Suggested seasonal or limited services for some (but not all) services at certain times of the year will not be considered as a less-desirable proposal. However, a reasonable identification of less or no demand at certain times of the year for particular services must be described in detail. Lengthening or shortening of original dates of operation will be possible based on actual business patterns observed and following discussion with Reclamation.

Special interpretive and recreation programs that would enhance visitors’ educational and recreational experiences must be consistent with

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Reclamation objectives, resource preservation and protection standards, and safe use of the New Melones resources are permitted and encouraged. Boating safety, fishing contests, historic and cultural programs (Native Americans, pioneers, gold mining, etc), and similar interpretive presentations are examples of activities that would be appropriate for New Melones.

I. Basic Financial Information

Reclamation completed a Financial Feasibility Evaluation (FFE) in April 2011 along with a Commercial Services Study (CSS) as a part of the overall planning effort in anticipation of the expiration of the existing concession contract and the need for the new concession opportunities outlined in this Prospectus (see PARTs 7.3A & 7.3B). The FFE portion of this document utilized figures based upon 2010 Dollars. All bidders are informed that some of the identified requirements in this prospectus were not fully anticipated in this 2010/2011 FFE and some of those could potentially have an impact on the level of financial feasibility. To rectify some of the recognized limitations of this 2011 FFE Reclamation, as a part of the development of this Prospectus, has contracted with a company with significant financial analysis experience and expertise to update the original work from 2011. They have provided financial projections that specifically reflect the final directions outlined in this Prospectus. In some instances the original financial work was determined to not be in the best interests of likely bidders and has been modified. It is critical that all bidders present strong and professionally prepared Financial Pro Forms as a part of their overall bid that provides good support for their specific proposal. The projections provided by Reclamation in this Prospectus should not be considered to be definitive in relation to the likely variations of individual bidders. This Prospectus does reflect some changes from the 2011 FFE and CSS. Some examples of changes that will likely positively impact feasibility are:

- Additional houseboat slips
- Number of covered/non-covered boat slips
- Use of existing mooring ball fields
- Additional rental houseboats
- Addition of Fair Market Value Recovery for Concession Contractor at contract expiration
- No concession facilities to be developed at Tuttle town or other areas beyond the Glory Hole Recreation Area.
- Requirement for Reserve Account for Facilities Improvement (RAFI) (this account is always the property of the concessionaire and is used to target certain types of major maintenance that are

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not day to day operational needs but are still a part of the required expenses of the concessionaire.)

As a part of the analysis and evaluation of proposals, Reclamation will have ‘subject matter experts’ as part of the team who are qualified and have experience in reviewing financial feasibility within the Hospitality and Commercial Recreation industries. Offerors should understand that proposals evaluated and found to have financially unreasonable projections or deficiencies, may be determined to be non-responsive.

J. Environmental Management

The Concession Contractor shall meet the environmental management performance standards as described in the draft concession contract (Section 3) and shall implement the Environmental Management Program (EMP) in accordance with these standards. The new concession contract shall require compliance with the objectives found in Reclamation’s Mid-Pacific Region Environmental Management System policy.

The Concession Contractor shall incorporate their best environmental management practices into all operations, maintenance, and construction activities occurring in the Concession Area. The Offeror shall identify methods for which training in environmental management shall be provided and where applicable; identify the additional training all managers, supervisors, and employees shall receive implementing specific environmental management practices. The Offeror shall be required to implement a recycling program and other similar environmental activities in accordance with the Environmental Management Program.

Offeror shall submit any clarifications and additions to the Draft EMP that demonstrates a consistency and understanding as it relates to their specific proposal in this Prospectus and provides enough details to show that their environmental management program meets or exceeds the standards described in the draft concession contract. The draft EMP submitted by Offerors will be a part of the proposal evaluation criteria outlined fully in PART 5 of this Prospectus. The proposed additions or changes must be approved by Reclamation before being included in the final concession contract. Some of the points will await final negotiation and determination by Reclamation once the successful Offeror is identified. The approved EMP shall become effective upon execution of a Concession Contract. The EMP shall at a minimum, be reviewed, updated and approved annually, or as directed by Reclamation as may be necessary.

K. Risk Management Program (Safety)

The Concession Contractor shall be committed to provide a safe and healthful environment for all employees and visitors to the Concession Area. The Concession Contractor shall meet the risk management performance standards as described in the draft concession contract (Section 3.O) and Exhibit M to the draft concession contract and shall implement the Risk Management Program (RMP) approved by Reclamation upon execution of the concession contract in accordance with these standards. The RMP shall contain written procedures to identify and correct safety deficiencies and ensure a safety awareness and training in hazards recognition. The Concession Contractor shall be responsible for implementation of procedures for accountability and responsibility of the RMP, including a written safety and health policy, and documentation of all accident/incident reporting and investigation procedures.

The standards and minimum requirements of the RMP are established in the Risk Management Plan, (Exhibit M of this Prospectus), which the Concession Contractor must agree to in order to have a responsive proposal. In the proposal, the Offeror must submit clarifications and additions to the Draft Risk Management Plan that are consistent with their specific proposal in this Prospectus and in general compliance with Draft Concession Contract (Section 3.0). The draft RMP submitted by Offerors will be a part of the proposal evaluation criteria outlined fully in PART 5 of this Prospectus. The proposed additions or changes must be approved by Reclamation before being included in the final concession contract. Some of the points will await final negotiation and determination by Reclamation once the successful Offeror is identified. The approved RMP shall become effective upon execution of a Concession Contract. The RMP shall be reviewed and updated annually or as directed by Reclamation.

L. Maintenance

The new Concession Contractor will be assigned water and land areas that are necessary for the concession operation. In addition, some constructed facilities will be included. These lands and facilities must be maintained in a manner acceptable to Reclamation. The new concession contract will specify the Concession Contractor responsibilities for maintenance, repairs, housekeeping, and grounds keeping of all concession lands and facilities assigned. The minimum requirements are established in the Maintenance Plan, Exhibit F to the draft contract (PART 6.F of this Prospectus), which the Concession Contractor must agree to in order to have a responsive proposal.

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In the proposal, the Offeror must submit clarifications and additions to the Draft Maintenance Plan that are consistent with their specific proposal in this Prospectus and in general compliance with the Draft Concession Contract (Section 4.I and Exhibit F). The proposed additions or changes must be approved by Reclamation before being included in the final concession contract. Some of the points will await final negotiation and determination by Reclamation once the successful Offeror is identified. The response to the maintenance needs is inherent to the concession operation and the identified documents will be a part of the proposal evaluation criteria outlined in PART 5 of this Prospectus.

M. Operating Plan

The new Concession Contractor will be assigned lands and facilities that are necessary for the concession operation. The new concession contract will specify the Concession Contractor responsibilities for operations of the facilities. The Operating Plan, (Exhibit G of this Prospectus), shall be the operating document for the term of this Concession Contract unless amended with Reclamation's approval.

The Operating Plan shall identify the required management, seasonal hours of operation, and scope of services provided. The Operating Plan shall address safety, sanitation, security, and fire protection for the marina and land based facilities along with employee standards and employment conditions. The Offeror may request a seasonal adjustment to the required levels of service and/or the means and methods of providing certain public services and consumables to match seasonal demand.

The standards and minimum requirements are established in the Operating Plan, Exhibit G to the draft contract, which the Concession Contractor must agree to in order to have a responsive proposal. In the proposal, the Offeror must submit clarifications and additions to the Draft Operating Plan that are consistent with their specific proposal in this Prospectus and in general compliance with Draft Concession Contract. The proposed additions or changes must be approved by Reclamation before being included in the final concession contract. Some of the points will await final negotiation and determination by Reclamation once the successful Offeror is identified. The response to the needs inherent to the concession operation and the identified documents will be a part of the proposal evaluation criteria outlined in PART 5 of this Prospectus.

Offerors must submit, as part of their proposal to this Prospectus, additions or changes to the Draft Contract Exhibit G (Operating Plan) that are consistent with the concession contract and that apply directly to their unique proposal at New Melones Lake. The Draft Operating Plan

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(PART 6 – Exhibit G) presented in this Prospectus should serve as a template for preparing the actual plan. The ‘template’ provides applicable standards of operation for various departments, i.e., lodging, marinas, retail, etc. that should apply to the specific plans to be proposed by individual Offerors. The approved Operating Plan shall become effective upon execution of a Concession Contract. The Operating Plan shall be reviewed and updated annually or as directed by Reclamation.

N. Reserve Account for Facilities Improvement

A typical Reserve Account for Facilities Improvement (RAFI) is briefly discussed below and in more detail in PART 6 – Exhibit K of this Prospectus. The following is a presentation in the standard Prospectus wording outlining a RAFI for Offerors to review and utilize:

Funding for routine, day-to-day maintenance will be covered by the Concession Contractor’s operating expenditures. However, funding for projects that qualify as concession capital improvements will come from a RAFI established and maintained by the Concession Contractor and to which the Concession Contractor will make quarterly deposits. In many instances throughout the business community, this type of a fund is known as a ‘Maintenance Reserve Account’.

The new concession contract normally requires that the Concession Contractor establish and maintain a RAFI as a percentage of gross receipts (see contract exhibit H [Improvement Project Procedures] and contract Exhibit K [Reserve Account for Facilities Improvement] in the Draft Concession Contract). This reserve account will be used as approved and/or directed by Reclamation for major capital improvements as well as for special repair and maintenance projects — namely, those that are nonrecurring within a 7-year time frame such as foundation replacement, electrical, plumbing and heating systems, or roof replacement. The RAFI will not be used for routine repairs or maintenance — that is, repairs and maintenance that normally recur within a 7-year time frame; therefore, the amount of funds available in the RAFI will not limit in any way the responsibility of the Concession Contractor to perform routine repair and maintenance functions or to carry out necessary major repairs (see the description of RAFI in PART 6 Exhibit K of this Prospectus).

The RAFI outlined for this concession contract is established as 3% of gross and will be paid quarterly as outlined in Contract Exhibit K.

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O. Utilities

Reclamation will not be responsible for providing any utilities to the concession operations at New Melones Lake. Reclamation may facilitate concession operations by allowing the Concession Contractor to connect to Reclamation's water and/or wastewater services as provided below. Options for the Concession Contractor to obtain utilities are as follows:

- Potable Water – Connection to Reclamation water system; or create an alternate water system developed by the Concession Contractor.
- Sewer – Collected sewage and wastewater, connection to Reclamation force main system and deposited in the Reclamation wastewater facility at Glory Hole Recreation Area; or create an alternate wastewater system developed by the Concession Contractor.
- Electricity – Commercial – Pacific Gas & Electric
- Garbage – Commercial pick up – Calaveras County Franchise Operator

Potable water from Reclamation's main well water system is currently available at the Black Bart Day Use Area and would provide the Concession Contractor with an opportunity to connect to and upgrade the existing Reclamation potable water delivery system on site. The Concession Contractor would also be permitted the option of connecting to the existing low-volume concession area well water system for delivery of potable water to the new concession area, or to establish a new water system and/or a combination approach. The Concession Contractor would be responsible for regulatory permitting and monitoring along with the operation and maintenance of the concession area well and water delivery system

The existing developed well and water system in both the current and proposed Concession Area are part of Reclamation's system. The Concession Contractor will likely wish to connect to this system instead of developing an entirely new independent system. The Concession Contractor shall pay Reclamation for the cost of water used and for a portion of the operations and maintenance cost of the water delivery system. The new Concession Contractor shall also be responsible for necessary costs to upgrade and extend Reclamation's existing water/delivery system and for installation or upgrading of all needed wastewater infrastructure for operation of those utilities within the

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Concession Area, along with costs for obtaining or updating any required permits whether held by Reclamation or by the Concession Contractor.

Reclamation shall establish a reimbursable account to which the Concession Contractor shall deposit adequate funds to compensate Reclamation for its costs to operate and maintain the utility systems necessary for the concession operation.

Reclamation strongly encourages that Offerors consult with both the Calaveras County Department of Environmental Management, and the Central Valley Regional Water Quality Control Board about permit requirements for operation of water and wastewater systems within the concession area.

How the Offerors address their plans for provision of water, waste water and other utilities will be one of the factors closely reviewed in the proposal evaluation process by Reclamation.

P. Underground Storage Tanks

Reclamation has no knowledge of any underground tanks that would either impact or hinder concession operations in the Glory Hole Concession Area.

Q. Length of Term and Effective Date of New Concession Contract

The length of term in this Prospectus is 30 years. The effective date for the new concession contract may vary, but it will not initially be a factor of the expiration date of the existing concession operations. The current Interim Concession Contract has been written to permit the new long-term Concession Contractor an opportunity to design and begin development of the new concession area, while permitting the current Concession Contractor to provide marina services to the visiting public while development progresses. However, the overall complexity of this Prospectus and the potential for an Offeror to successfully complete final negotiations may lead to an alteration of the starting date.

R. Total Required Investment

The following table presents the government estimated investments at the commencement of and during the contract.

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Table 4 - 2: Government Estimated Investments

Item	Estimated Cost (2013\$)	Year(s) of Investment
Construction of Marina	\$4,165,000	2016, 2017, 2018
Construction of Land-Based Infrastructure	\$1,684,000	2016
Construction of RV Campsites	\$391,000	2016
Purchase of Houseboats	\$4,746,000	2016, 2017
Purchase of Other Rental Boats	\$481,000	2016, 2017
Preopening Costs	\$179,000	2015
Purchase of Camper Cabins	\$418,000	2016
Total Estimated Capital Investment	\$12,064,000	

Offerors may propose differing amounts based upon their individual plans and funding abilities. As identified frequently within this Prospectus Offerors must demonstrate within their financial pro forma portion of their response full justification and understanding of the financial aspects implementing and operating their proposed business profile.

S. Development Plan and Timeline

It is the purpose of this initial Development Plan and Timeline to ensure that minimal or no loss of service occurs between the expiration of the current Concession Contract and the implementation of the new Concession Contract. The initial Development Plan Timeline is included below but may be customized by the Offeror to include any Authorized Services proposed, providing no break in service occurs. The Development Plan Timeline must be included as part of the Concession Facility Improvement Program (CFIP) submittal in the proposal. The Development Plan Timeline will be finalized as part of the approved CFIP upon execution of the Concession Contract with the eventual successful bidder. (Review the following parts of this Prospectus for more detail on how the CFIP and the Development Plan and Timeline will be addressed in the final contract documents;

- Section 4.G. of the Draft Concessions Contract (PART 6 of this Prospectus)
- Exhibit H (CFIP Procedures) of the Draft Concessions Contract (PART 6-ExH of this Prospectus)

The Concession Facility Improvement Program is the overall concession development planning document. The CFIP shall provide conceptual design drawings that will show proposed facility layout and service locations; as well as a written narrative describing detail of the proposed services and facilities as outlined in the accepted Prospectus proposal. The CFIP shall also include a Development Plan Timeline showing, by

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year of installation, the full complement of Required Services. Supporting infrastructure, utilities and amenities associated with the provision of the Required Services shall also be included in the CFIP.

An Improvement Management Plan (IMP) is a planning document that shall be developed to serve as an annual guide to completing the site specific design of facilities and services identified in the CFIP. The IMP shall include the timeline necessary for obtaining necessary permits, documenting compliance with the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA), and installation of the concession infrastructure and utilities. Exhibit H of the Draft Concession Contract provides further description of the CFIP and IMP. Both the initial CFIP and initial IMP shall be approved by Reclamation and enacted upon signatory of the awarded Concession Contract.

Reclamation is proposing the initial year after execution of the Concession Contract as “Year Zero” for the purpose of developing design plans, beginning the environmental review process, beginning the regulatory permitting process and preparing for the installation of facility infrastructure and concession development. The second year after execution of the Concession Contract shall be Year 1 and shall include completion of the regulatory permitting process and initiation of construction and operation of concession facilities, as depicted in Table X.X below.

For purposes of implementing the CFIP and IMP’s, Year 1 of the Concession Contract shall commence 12 months after contract execution and end on the anniversary date 12 months later, and this date shall serve as the anniversary date each subsequent year thereafter.

For Year 2 and beyond, the Concession Contractor shall submit an annual IMP for Reclamation’s review and approval by the anniversary date each year, outlining the proposed work to be accomplished for the coming year or years. The annual IMP’s must coincide with the approved CFIP and work to meet the goal of all Required Services installed by the end of the fifth year of contract term, and all accepted Authorized Services by the end of the seventh year.

As a requirement for Year Zero, the Concession Contractor is expected to provide, within 45 calendar days of contract execution, 30% design drawings for the approved conceptual plans involving infrastructure, utilities and Required Services identified in the CFIP. Within 45 calendar days after Reclamation’s acceptance of the 30% designs, the Concession Contractor shall provide 65% design completion of these plans and shall commence environmental analysis for compliance with NEPA/NHPA. By the end of Year Zero (within 365 days of contract execution) the Concession Contractor shall have completed documentation of compliance

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with NEPA/NHPA and provided 95% design completion of these plans, as well as the completed initial regulatory permit applications.

Because it is essential to limit interruptions in services to the public, all Required Services and associated infrastructure and utilities necessary to support the quantity of boat slip customers being served as of June 1st, 2016 shall be installed and operating no later than September 1st, 2016, or a minimum of 90 days before expiration or termination of the interim concession contract. All remaining Required Services and associated infrastructure shall be installed and operating in accordance with the approved Development Plan Timeline or sooner. Any Authorized Services proposed by the Offeror and accepted by Reclamation shall be installed and operating not later than seven years after contract execution.

Table 4 - 3: General Development Plan Timeline for Required Services

Year 0	Year 1	Year 2	Year 3	Year 4
Site Specific Design of Required Services – 30% and 65% design levels	Complete Permitting Process	50% Marina (to include anchorage, slip rentals, fueling, and boat repair)	100% Marina (to include balance of slip rentals, marina store, and balance of water-based improvements)	Complete Day Use Sites
Complete NEPA/NHPA	Begin Installation of Land based Infrastructure and Utilities	Provide 50% of Rental Boats and watercrafts	Construct Transient Slips	Complete all remaining Required Services
Site Specific Design of Required Services – 95% design level	25% Marina (to include mooring balls, dry storage)	Complete all Utilities and Infrastructure	Balance of Rental Boats and watercrafts	
Submit Permit Applications	Complete RV Sites including full service hook-ups	Provide 50% of Rental Houseboats	Begin development of Day Use sites (group and/or single sites)	
	Develop Lodging (Cabins, Yurts, Park Models)	Implement Reservation Services		

T. Franchise Fee

A franchise fee is a payment to the Government that is considered a direct return to the Government upon consideration of the probable value to the Concession Contractor for the use, rights, and privileges granted by this concession contract. Such probable value shall be based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the concession contract.

Offerors are expected to propose a franchise fee level as a part of their proposal. Note that in Part B of PART 5 of this Prospectus that Principal Factor No. 5 concerns the franchise fee proposed. This is another area in this Prospectus and the eventual contract that 'is to be determined' based upon the proposals received. In most prospectuses, the franchise fee already has a pre-determined minimum based upon the anticipated investment, level of projected business, and contract length. The minimum franchise fee that can be bid in response to this Prospectus is one percent (1.0%) of gross revenues. This amount reflects the estimated capital investment costs required for Offerors to construct required new infrastructure and facilities rather than using pre-existing facilities. Offerors will be evaluated in comparison to one another and in relation to the minimum acceptable franchise fee of one percent (1.0%) and that rating will result in a numerical score that will become a part of their overall bid score in response to the Prospectus. The 'overall bid score' is the sum of all the possible 'value points' among the five Principal Factors outline in Part B or PART 5 of this Prospectus. Unless there are other significant issues or impacts, i.e. being determined non-responsive or having past disqualifying occurrences or situations, this overall bid score will be the determinant of whether an Offeror is successful.

The final franchise fee bid is one of the five factors considered so it is important for Offerors to give careful thought to whether they believe the 1.0% minimum will be their position. Not only do Offerors need to propose a franchise fee approach, but they also need to provide a well-developed and defensible discussion on how and why they arrived at their position.

Reclamation will consider a wide range of franchise fee approaches including a tiered system where fees increase when certain revenue targets are reached, if properly supported. A tiered approach may provide Concession Contractors an opportunity to minimize their risk at the start, and will eventually bring more adequate revenues to the Government as gross sales increase. Reclamation recognizes the importance for business operators to establish business models that present an opportunity and expectation of reasonable profit and when evaluating the proposed franchise fees the reasonableness of projected profits in comparison to

New Melones Lake Concession Prospectus

other similar businesses in the recreation hospitality industry will be a consideration.

Franchise fees due the Government are secondary in importance to the appropriate development of facilities, provision of services to the public, and a reasonable opportunity for a Concession Contractor to realize a profit. Reclamation recognizes that there will be demands on a new Concession Contractor to provide funding for various improvements that will be proposed by any successful Offeror. Everything being equal between two proposals, a higher franchise fee will be considered a superior proposal than a lower fee. Reclamation will very closely review franchise fee proposals in conjunction with the overall financial pro-forma submitted in response to this Prospectus. Proposals that are judged to be unsupportable or economically infeasible may be found non-responsive in total or at the least be rated much lower than proposals judged to be economically reasonable.

The issue of franchise fees is very complex and tied in with all other segments of the proposal that have an impact on investment and/or revenue. Very detailed consideration and position development by all Offerors is necessary in arriving at their proposed franchise fees.

U. Marina Accessibility

As identified under Section A of this PART 4 meeting Accessibility Standards and legal requirements is an important aspect of any proposal to this Prospectus AND in the construction of new facilities AND actual conduct of eventual business operations. Accessibility to the new floating marina facilities poses challenges and will require special attention and consideration when developing a proposal to this Prospectus. The new Concession Contractor shall propose and develop a system and necessary facilities that permit access by members of the public, who have physical disabilities that make it impossible or difficult to negotiate a standard gangway access, to the water based facilities of the new marina. This Prospectus does not specify a particular required method to meet this requirement because there is more than one approach that could be satisfactory and Reclamation is requesting bidders to outline their particular approach for meeting this need in a manner that fits well with their design and operating concepts while still being legally compliant with applicable laws and regulations. Further in preparing their proposal it must be outlined in detail so bid reviewers can fully understand the proposal and the cost and financial impacts to the overall bid must be clearly outlined in the bidder financial pro forma package. Proposals may include a system that provides a complimentary 'On Demand' electric cart transport, a cable operated railway system (Funicular), an approved ADA

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gangway, or a mixture of these and other appropriate approaches that address fluctuating lake levels and meet accessibility requirements.

V. Personal Property

A new Concession Contractor is not required to purchase personal property from the previous Concession Contractor but may wish to do so if it can reach agreement with the previous Concession Contractor on terms that are mutually acceptable. Reclamation will not be involved in any such transaction. The property purchased and the transaction prices will be entirely up to the buyer and seller. The fact that the final purchase price may be greater than estimated by an Offeror will not be grounds for adjustment of the terms of the concession contract or other financial relief to the new Concession Contractor.

W. Relevant Reclamation Concession Policy and Directives and Standards

See PART 6 – Exhibit L of this Prospectus for the applicable Directives & Standards.

X. Site Visits

An informational briefing and site visits will be held according to the following schedule:

New Melones Lake Administration Center

Glory Hole Recreation Area

Date: December 19, 2014

Time: 10:00 a.m. – 1:00 p.m.

Date:

Time:

The above tour schedule may require adjustment in the field based on actual time frames or weather but the intent is to accomplish the indicated tours and meetings during the day specified even if it requires later hours.

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Any information provided during the site visit or at any other time must be made available to all Offerors. During the meetings before and after the site tours, Reclamation will provide someone to capture all of the questions and answers for later transcription. Any questions asked and the answers given must be presented to all Offerors. Reclamation will be careful in answering questions during the tours if it seems that the question and the answer cannot be appropriately captured. Similarly, questions will not be answered on the telephone but will require a written request (e-mail is OK) and written response from Reclamation. In order to not be an obstruction, Reclamation may elect to answer some clarifying questions that do not seem to present any benefit to the requester as it applies to the proposal process; however, the determination as to what is and is not 'clarifying' will be made by Reclamation at the time a question is posed.

Please review PART 3 – Section B regarding the scheduled 'midstream' Prospectus meeting scheduled for _____ at the Bureau of Reclamation, New Melones Lake Administration Office.

Part 5

Administrative Documentation and Prospectus Overview

New Melones Lake Concession Prospectus

Concession Prospectus

Under Which a Concession Contract Opportunity will be Open for Competition for the Development and Operation of the Following Businesses:

Marina and Associated Operations, Lodging, Food Service, RV Parks, Boat Rentals, and Retail Sales all associated with serving the Recreating Public at New Melones Lake, Eastside Division of the Central Valley Project, Sonora, California

December 10, 2014

Offers/Responses/Proposals regarding this prospectus must be received at:

Bureau of Reclamation
Central California Area Office
7794 Folsom Dam Road
Folsom, California 95630

No Later Than February 17, 2015-- at 4 p.m. Pacific Time

Address Questions and Inquiries To:

Peggi Brooks
Central California Area Office (CCAO)
7794 Folsom Dam Road
916-989-7180
PBrooks@ usbr.gov

United States of America
Department of the Interior
Bureau of Reclamation
Mid-Pacific Region
Central California Area Office

New Melones Lake Concession Prospectus

Department of the Interior

Bureau of Reclamation
Mid Pacific Region

Proposal to Operate
Within

Marina & Associated
New Melones Lake

Services
Area of Operation

Date: (Issuance of Prospectus)

Due Date: All applications and any modifications must be received at the following address no later than the time and date indicated:

Bureau of Reclamation

Central California Area Office
7794 Folsom Dam Road,
Folsom, CA 95630
(916) 989-7202

7794 Folsom Dam Road,
Folsom, CA 95630
Peggi Brooks, Chief,
Recreation Resources Division
(916) 989-7128

No Later Than 60 days from issuance
By Close of Business: 4:00pm (Pacific Standard Time)

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Special Note to Bidders

For a bid to be considered responsive, it must include the letter beginning on the following page or another letter that effectively covers ALL the points outlined in this draft letter. This letter in the format and sequence provided without alterations is an agreement from the bidder to abide by or adhere to various non-negotiable conditions and requirements stipulated in the prospectus including the draft contract (PART 6 to the prospectus). Failure to submit a signed letter that covers ALL the points outlined in the sample letter will result in a bid being determined non-responsive and not considered for award in this concession opportunity.

It is recommended that the following letter be used exactly as presented and not reconstituted in a different format or order. Although changes in format and order could still result in an adequate acceptance of the stipulated requirements, there could be an inadvertent alteration or omission resulting in a finding by Reclamation of a non-responsive bid.

New Melones Lake Concession Prospectus

Proposal for Concession Operation

Bureau of Reclamation
Mid Pacific Region
Regional Director
2800 Cottage Way
Sacramento, CA 95825

Re: Bid Submittal on New Melones Lake, California, Concession Opportunity

Dear Mr. Murillo:

(I) (We) hereby offer to provide visitor services and facilities at New Melones Lake in accordance with the terms and conditions specified in the draft concession contract No. (Insert Contract number.), provided in the prospectus issued by public notice and to execute the concession contract without substantive modification, except as may be required by the Bureau of Reclamation (Reclamation) pursuant to the terms of the prospectus.

(I) (We) are enclosing the required proposal which, by this reference, is made a part hereof.

(I) (We) certify that the information furnished herewith is true to the best of (my) (our) knowledge and belief.

(I)(We) agree to meet all the minimum requirements of the concession contract, specified in Part A of this PART 5 of the prospectus. (I)(We) have provided all the mandatory information specified in the prospectus.

(I) (We) certify in accordance with 43 CFR Part 12 regarding debarment, suspension, ineligibility, and voluntary exclusion the following:

None of the individuals or entities seeking participation in this concession contract is currently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from a public transaction by any Federal department or agency.

Within the 3 years preceding submission of the proposal, none of the individuals or entities seeking participation in this concession contract has been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction or for violation of Federal or State antitrust statutes or for commission of embezzlement, theft, forgery, bribery, falsification of records, making false statements, or receiving stolen property.

New Melones Lake Concession Prospectus

None of the individuals or entities seeking participation in this concession contract is presently indicted for or otherwise criminally or civilly charged by a Federal, State, or local unit of the Government with commission of any of the offenses.

The individuals or entities seeking participation in this concession contract have not had one or more public transactions (Federal, State, or local) terminated for cause or default within the 3-year period preceding the submission of the proposal.

(I) (We), by submitting this proposal, hereby agree, if selected for award of the new concession contract:

To the minimum requirements of the prospectus as identified in this proposal.

To limit any discussions/negotiations to the contents of Articles 1.A, 2.B, 6.A, and 7.F.

To complete the execution of the final concession contract within 30 working days after it is presented by Reclamation. Failure to execute/sign the contract within in this time period can be justification by Reclamation to nullify the bid and be judged non-responsive and Reclamation may select another winning bidder or re-issue the prospectus.

To commence operations under the new concession contract on the effective date of the new concession contract. The effective date of the new concession contract will be _____ unless approved in writing, by Reclamation, for an alternate date.

Improvements shall be appraised for fair market value by Federal Government (Government) appraisers or Government contracted appraisers. Any dispute over appraised values or the determination of the remaining service life will be addressed through Department of the Interior processes.

By _____ (Person authorized to sign as bidder)

Date: _____

Title _____ Type or print name and date.

Address: _____

New Melones Lake Concession Prospectus

Certificate of Corporate Offeror

(Offerors who are not corporations should skip this certificate)

I, _____, certify that I am the _____ of the corporation named as offeror herein; that _____, who signed this proposal on behalf of the offeror, was then _____ of said corporation; that said proposal was duly signed for and in behalf of the corporation by authority of its governing body within the scope of its corporate powers.

By _____

Date: _____

Title: Type or print name and date. _____

Address: _____

New Melones Lake Concession Prospectus

Part A*

The minimum requirements for the new concession contract are identified in this Part A of the prospectus. Unless the bidder agrees to all the following minimum requirements, the proposal will be considered nonresponsive. By using the wording from the preceding letter (Proposal for Concession Operations) as presented and signing it as indicated, the bidder is agreeing to all of the following stipulations that comprise Part A.

(I) (We) agree to comply with all terms and conditions in the concession contract, including, without limitation, all applicable laws, environmental protection and conservation laws, Department of the Interior Concessions Policy and Reclamation Manual Policy and Directives and Standards. We acknowledge that laws and policies and directives are subject to change during the term of the contract and we will comply with those changes as they apply to the concessions contract.

(I) (We) agree to comply with all the terms and conditions specified in the concession contract, including its exhibits.

(I) (We) agree to charge rates for concession goods and services during the term of the concession contract that are comparable to rates charged for similar goods and services at comparable facilities in the region. All proposed rates and increases are subject to approval by Reclamation prior to implementation.

(I) (We) agree to accept, if any, the existing concession facilities, personal property, and any Reclamation land or facilities assigned through the concession contract, as is.

(I) (We) agree to carry out the required Concession Facilities Improvement Program according to the terms of the concession contract, including but not limited to, Exhibit H and the specified time frame(s) established by Reclamation, without condition.

(I) (We) agree to make deposits into and manage a Reserve Account for Facilities Improvement (RAFI) described in the concession contract and in Exhibit K. Deposits will be in the amount of three percent (3.0%) of gross revenues annually. We further agree to make a deposit into a RAFI at the start of the concession contract term, depositing into the RAFI \$10,000 to serve as an initial working balance that will offset contractually required RAFI payments until this \$10,000 is covered and to assume the administrative responsibilities of the account.

(I)(We) agree to implement the proposed Maintenance Plan for this operation, addressing all the elements identified in the concession contract Section 4 (Land and Facilities Used in the Operation) and Exhibit F (Maintenance Plan) without condition.

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(I)(We) agree to implement the proposed Operating Plan for this operation, addressing all the elements identified in the concession contract Section 4 (Land and Facilities Used in the Operation) and Exhibit G (Operating Plan) without condition.

(I) (We) agree to develop and implement an effective Risk Management Program (health and safety program) according to the requirements of the concession contract and the information in Exhibit M for such programs.

(I) (We) agree to develop and implement an effective Environmental Management Program according to the requirements of the concession contract in Section 3 and Exhibit O for such programs.

(I) (We) further agree to furnish an appropriate form of bond or insurance in an amount reasonable for the circumstances and acceptable to Reclamation to ensure faithful performance of development, construction, remediation or any corrective actions undertaken relative to environmental compliance.

(I)(We) agree to develop a public liability and property insurance package that fulfills the identified minimum parameters as described in Section 7 of the Draft Concession Contract and Exhibit I (Insurance requirements).

(I) (We) agree to implement and submit Reclamation's Annual Financial Report forms and reporting requirements identified in the concession contract Section 8 (Accounting Records and Reports) and Exhibit J (Financial Reporting Forms) without condition and without modification.

(I) (We) agree to implement an equal opportunity program and comply with the terms of the equal opportunity and American Disabilities Act (ADA) requirements identified in Exhibit A of the concession contract.

**The submittal of the previous stipulated letter (Proposal for Concession Operation) includes and agrees to ALL of the points/conditions/requirements of this PART A.*

Part B

Offerors must provide the following information for their proposals to (1) qualify for consideration and (2) be evaluated with respect to other qualifying competitive proposals submitted. A proposal will not qualify for further consideration if it receives a rating of non-responsive or unsatisfactory for any one of the following principal factors. Please review Section K of PART 3 of this Prospectus in relation to the completion of this section.

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Reclamation's evaluation panel when scoring the individual Principal Factors (PF) will consider the responses to the 'Criteria' and 'Sub-Criteria' under each PF but will not assign scoring to the individual Criteria or Sub-Criteria themselves. Panel members will determine an overall score for each individual PF after a thorough examination and consideration of the combined aspects of those sub units. This approach will allow panel members to give credit to offerors when a response in one Criterion or Sub-Criterion overlaps in fulfilling the requirements of an associated Criterion or Sub. Therefore, there will be a single score for each of the five (5) individual Primary Factors but no individual scoring for sub sections of those Primary Factors. The panel will consider the quality of the responses in determining a final PF score. The point totals shown after each Principle Factor is a MAXIMUM amount that can be given for that PF and that maximum would only be assigned to a bid that is clearly superior and in excess of what would be considered as satisfactory and/or exceeding the basic standards expected for a particular PF. Being assigned a score of less than the maximum shown for any PF is not necessarily considered as an unsatisfactory bid. Being assigned a zero on any of the PF's would be considered as a disqualification for further consideration.

Principal Factors

Principal Factor 1

The Responsiveness Of The Proposal To The Objectives Of Preserving And Protecting The Resources Of The Area

(Total Evaluation Points for Principle Factor # 1 = 10 Pts.)

Criterion B1 (a) Environmental Management Program

Reclamation is committed to the protection of the natural and cultural resources of the area. Submit with your offer, a proposed Environmental Management Program (EMP), addressing the elements identified below. The EMP should demonstrate your understanding of the concession operation, the site location and any potential or existing environmental issues. The EMP should be tailored for the specific needs of the area of operation and should not be a generic or standardized EMP. For example, your EMP might include specific Best Management Practices that you will apply in your operation (including, the provision of visitor services, accessibility, construction, maintenance, and acquisition) to further the protection, conservation, and preservation of the area and its resources. This EMP, upon approval by Reclamation, will become Exhibit O to the concession contract.

*An acceptable definition of Best Management Practices as it pertains to this section - A practice or combination of practices that provide a very effective, economical, and practicable means of controlling point and non-point pollutants at levels compatible with environmental quality goals.

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1. The EMP shall account for all activities with potential environmental impacts conducted by the Concession Contractor or to which the Concession Contractor contributes. The scope and complexity of the EMP may vary according to the type, size, and number of Concession Contractor activities under this concession contract. Contractors shall address handling and storage of Petroleum Products, along with Pesticides, wastewater treatment and disposal (if not connecting to Reclamation System), invasive species including aquatic and plants. EMP must also address erosion, water conservation and Storm water prevention planning (SWPP). EMP should also include solid waste diversion including recycling, composting and waste reduction. Encapsulated foam should not be an issue unless we permit purchase of existing facilities.
2. The EMP shall include, but not be limited to, the following elements:
 - a. Goals and Targets. The EMP shall identify environmental goals established by the Concession Contractor consistent with all EMP objectives as stated in the concession contract. The EMP shall also identify specific targets (i.e., measurable results and schedules) to achieve these goals. The Concession Contractor shall conduct an audit to identify environmental impacts resulting from Concession Contractor activities and develop, as part of the EMP, operating procedures that will reduce those impacts.
 - b. Responsibilities and Accountability. The EMP shall identify environmental responsibilities for the Concession Contractor employees and contractors. The EMP shall include procedures for the Concession Contractor to implement the evaluation of employee and contractor performance of these environmental responsibilities.
 - c. Reporting. The EMP shall describe and implement a system for reporting environmental information on a routine and emergency basis, including providing reports to the Area Manager in compliance with the concession contract.
 - d. Documentation. The EMP shall identify plans, procedures, manuals, and other documentation maintained by the Concession Contractor to meet the EMP objectives.

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- e. Documentation Control and Information Management System. The EMP shall describe and implement document control and information management systems to maintain knowledge of applicable laws and EMPs. In addition, the EMP shall identify how the Concession Contractor will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.
 - f. Monitoring, Measurement, and Corrective Action. The EMP shall describe how the Concession Contractor will comply with the EMP and how the Concession Contractor will self-assess its performance under the EMP, at least annually, in a manner consistent with Reclamation standards. The self-assessment should ensure the Concession Contractors conformance with the EMP objectives and measure performance against environmental goals and targets. The EMP shall also describe procedures to be taken by the Concession Contractor to correct any deficiencies identified by the self-assessment.
 - g. Communication. The EMP shall describe how the environmental policy, goals, targets, responsibilities, and procedures will be communicated throughout the Concession Contractors organization.
 - h. Training. The EMP shall describe the environmental training program for the Concession Contractor, including identification of staff to be trained, training subjects, frequency of training, and how training will be documented.
3. Other specific issues to be addressed in the elements of the offeror's EMP (if they have not already been included) are:
- a. Hazardous materials and waste management. (How will you reduce or eliminate the use of hazardous materials in your operations, [e.g., petroleum-based products and paint thinners]?)
 - b. Education of public regarding environmental protection/awareness.
 - c. Solid waste management (including recycling and composting where appropriate).

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- d. Water and energy conservation. (What steps will you take to practice water and energy conservation in daily operations and in the design, construction, and rehabilitation of facilities? How do you propose to recycle antifreeze and motor oil? What other recycling efforts will you use?)
- e. Fuel storage and delivery systems. (How will you meet all applicable requirements including underground and aboveground storage?)
- f. Emergency planning and response.
- g. Pollution prevention and reduction of toxins. (The reduction of pollution and the use of toxic products in the concession area, within the constraints of U.S. Public Health Service codes, is an objective of Reclamation. One method of reducing pollution and the use of toxic products that has been adopted by Reclamation is the use of environmentally preferable cleaning products for custodial, housekeeping, and fleet operations. Most of the products used for these purposes are naturally derived from renewable resources. Products that are toxic, skin irritants, flammable, corrosive, non-biodegradable, petroleum and hydrocarbons, ozone-depleting, chlorinated compounds, or artificial dyes and fragrances should be avoided.)
 - Provide a narrative of commitment to this important objective and your specific plans for reducing or eliminating the use of toxic products.
 - Identify new products intended for use and the products they will replace – provide schedule of replacements – estimate annual volume of new products and discontinued product(s).
- h. Reduction of emissions from vehicle and other operations that affect air quality.
- i. Protection of water quality, wastewater treatment, and runoff management.
- j. Protection of night skies from light pollution.
- k. Reduction of noise and protection of natural quiet.
- l. Pest management practices.

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- m. Sustainable design and construction practices.
- n. Use of native species.
- o. Environmental mitigation.
- p. Best Management Practices to be employed to demonstrate responsible stewardship of the environment and use of the best available technology to protect the public's natural resources.
- q. Use of alternative fuels. (What alternative fuels will be used in your operation?)
- r. Waste reduction (disposable products). (A large volume of disposable serving products is used in food service operations. How will you eliminate or significantly reduce the use of these products?)
- s. Procurement practices. (What procurement practices will be used to ensure that additional products will be recycled by operation and by visiting public [green procurement]?)
- t. Use of and application of solar power.
- u. Use and application of electric or more energy efficient vehicles.

Criterion B1 (b) Meeting Environmental Standards

Discuss how you intend to manage and implement the environmental management standards of Reclamation. Please include a description of how your experience and qualifications will enable you to address environmental issues that may exist or may arise at the concession operation. If you intend to assign an environmental program manager, please identify them and provide a brief description of their qualifications and past experience with regard to managing an environmental program. If you have not already done so in previous sections, please explain how you intend to implement various aspects of the EMP.

It is important in the response to this overall PRINCIPAL FACTOR regarding protection of the environment and the integrated resources of the New Melones area that bidders develop responses that **pragmatically** embrace an environmental commitment to operating their proposed business in line with the frequently heard environmental philosophy of "Think Globally, Act Locally." This concept and the required programs to

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be truly effective is an important factor in the evaluation of bids and the selection of the next Concession Contractor. A respondent selected as the winning bidder based in part on their response to accomplish certain projects or manage in a certain manner that is a positive environmental approach and then does not follow through on their EMP proposals will be found in default of any eventual contract and that contract terminated.

Identify any environmental deficiencies for which you or your company have been issued a formal notice of deficiency or other notification requiring correction where the identified correction has not been accomplished and is still pending. Identified issues may or may not result in fewer points depending upon how Reclamation evaluates the level of seriousness of the specific issue and the bidders past environmental record and commitment to correct this type of deficiency. As a part of the bid review process Reclamation may make inquiries of various agencies that oversee environmental requirements to determine past and present performance and promptness of corrections.

Identify how you intend to meet your NEPA Compliance responsibilities during development of new facilities and programs. A review of the Bureau of Reclamation Concession Management Guidelines “Chapter 12 - Environmental Protection & Pollution Prevention” outlines basic responsibilities whether being accomplished by the agency or in this situation by the Concession Contractor in areas assigned for concession use.

Note to Bidders: Part 7.13 of the Prospectus Package provides Chapter 12 of Reclamations Concessions Management Guidelines titled “**Environmental Protection and Pollution Prevention**” can provide some assistance in the preparation of your response to this Principle Factor, but it should not be simply copied in part as your proposal. Reclamation expects to see that you have developed an individual sensible and pragmatic Environmental Program as your response to this requirement.

Principal Factor 2

The Responsiveness of the Proposal to the Objectives of Providing High Quality Visitor Services*

(Total Evaluation Points for Principle Factor # 2 = 15 Pts.)

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Quality* – It is important for all bidders to understand Reclamation’s intent and definition of the term ‘Quality’ as used in this Principal Factor. It does not mean expensive, lavish or significant amenities that otherwise become unattainable based upon price to average users. A Motel 6 can be ‘quality’ if properly managed with attention to detail. A Hilton Hotel can fail to meet ‘quality’ expectations if bathrooms are not clean, facilities are not properly maintained or employees are improperly trained. The customers’ expectations of the luxuriousness of facilities, associated rates and amenities is different between a Motel 6 and a Hilton Hotel or between a Denny’s restaurant and a Morton’s Steakhouse, but their expectation of the business being appropriately well managed, attentive, clean, and a positive (although differing) experience are similar. A Quality’ operation as identified here would fulfill or exceed the expectations of a customer’s anticipated level of experience and similarly enhance their visit to New Melones.

Note: All offerors agree on Criteria B2 (a-c) that they are obligated to use and perform at the level indicated in the corresponding attachments to the Draft Contract (PART 6) for these three plans/programs. At such time that the offeror becomes a successful bidder and Reclamation approves and accepts the offerors replacement plan for any or all of these plans, then that will become the specific plan in effect for the actual final contract. For this reason, it is important that offerors give serious thought to preparing their proposed plans as part of their bid.

Criterion B2 (a) Maintenance Plan

The offeror must accept the proposed Maintenance Plan as a minimum condition. The concession contract requires the new Concession Contractor to maintain the facilities and assigned lands to the satisfaction of the Secretary and in accordance with the Maintenance Plan attached to the concession contract. If you could make changes to the Maintenance Plan that would improve services to the visitors with respect to maintenance, please describe any additions or changes that you would propose to make. You can respond affirmatively to Part A and still respond to this criterion.

Criterion B2 (b) Operating Plan

The offeror must accept the proposed Operating Plan as a minimum condition. If you could make changes to the Operating Plan that would improve services to the visitors with respect to operations, please describe any additions or changes that you would propose to make. You can respond affirmatively to Part A and still respond to this criterion.

Criterion B2 (c) Risk Management Program

Submit a Risk Management Program tailored to the area of operation that addresses the elements of an effective Risk Management Program (health and safety program), according to the requirements of the concession

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contract for such a program. In preparing the program, consider the relevance and functional aspects of each of the following:

1. Management's (yours) policy statement, duties, employee responsibilities, and administration.
2. Accident Prevention
3. Inspection and abatement.
4. Accident investigation and reporting.
5. Safety and health committee.
6. Training.
7. Emergency procedures.

Note to Bidders: Review Section O of the Draft Concession Contract and Exhibit M to the Draft Concession Contract while developing your Risk Management (Safety) Program.

Criterion B2 (d) Required Services

Describe your specific plans for providing each of the required services identified in Table 4.1 of PART 4 of this Prospectus. Remember that the more complete and well developed your plans are and the more thorough your knowledge on the subject appears the better your likely score. Bidders that propose a building program that completes the 'Required Services' portion in a time frame shorter than the required 5 years may receive more points in this Principal Factor.

Criterion B2 (e) Authorized Services **

Which of the authorized services identified in Table 4.1 of PART 4 of this Prospectus do you intend to provide? Reclamation encourages, and will give credit in evaluation for as many of these authorized services as possible. However, you must be positive that these Authorized Services that you propose to operate will work satisfactorily within your financial pro forma and not lead to a significantly weakened financial position. Bidders that propose a building program that completes the 'Authorized Services' portion in a time frame shorter than the required 7 years may receive more points in this Principal Factor. An offeror selected as the winning bidder will be required to provide those services, listed in the prospectus as Authorized, that they indicated in their bid to be provided. Once they are selected as the winning bidder those Authorized Services they have indicated become Required Services in the new contract.

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****Special Note to All Bidders Re: Authorized Services:** (As earlier outlined in PART 4 Sec. F) Throughout PART 4 and PART 5 of this Prospectus you will note various references and discussions regarding Required and Authorized Services. In the draft contract (PART 6 of this Prospectus) there are only Required Services and no references or optional allowances for Authorized Services. In PART 4 please review Table 4.1 that outlines all the services that are stipulated as Required Services (this means they are mandatory to provide for any bidder wishing to submit an acceptable offer). Table 4.1 also outlines those services that are stipulated as Authorized Services as applicable to this Prospectus and concession opportunity. The options for Authorized Services only exist as it applies to how you structure your bid and determinations you may make regarding the services outlined as Authorized (Table 4.1) regarding whether you intend to provide none, some or all of them. Once you submit a bid indicating and highlighting the Authorized Services you propose conducting, you **MUST** be prepared to follow through and actually provide those services if you are selected as the winning offeror. Those services noted as Authorized that you propose to offer will become **REQUIRED** services in an eventual final contract and they are no longer optional.

This stipulation is made because offerors who indicate a willingness and financial ability to provide some or all of the Authorized Services from Table 4.1 may receive added points as a part of the overall review and scoring of the competitive bids and it would be inequitable to credit a bidder who did not have a commitment for following through on a proposal. The only difference in regard to the eventual final contract wording between those services noted as Required and Authorized will be, as noted in Table 4.1, that the original Required Services must be fully available and necessary construction completed within 5 years of contract execution and the services originally noted as Authorized Services must be fully functional within 7 years of contract execution.

Once a contract is enforce, adjustments may be made to Required Services in recognition of unforeseen situations and conditions and such adjustments may require a contract amendment. Any such changes would only occur with the approval of Reclamation and only when there is a valid reason presented and investigated and determined to have appropriate merit to initiate a change.

Criterion B2 (f) Enhancing Customer/Visitor Experienc

How will you train your employees to establish a high level of professionalism in their individual responsibilities and in direct interaction with customers' area visitors? Outline how you will also prepare employees to become knowledgeable and genuinely committed, regardless of their assigned duties, to interpret and provide information to visitors

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about area resources and the purpose and significance of the area of operation, surrounding areas, and Reclamation?

Criterion B2 (g) Providing Access to On Water Marina Facilities

Identify specifically how you will provide access to the ‘On Water’ Marina Facilities for those members of the public, who have physical disabilities that make it impossible or difficult to negotiate a standard gangway access. Proposals may include a system that provides a complimentary ‘On Demand’ electric cart transport, a funicular tram, an approved ADA gangway, or a mixture of these and other appropriate approaches that address fluctuating lake levels. In preparing a proposal it must be outlined in detail so bid reviewers can fully understand the proposal and the cost and financial impacts to the overall bid must be clearly outlined in the bidder financial pro forma package.

Principle Factor 3

The Experience And Related Background Of The Offeror, Including The Past Performance And Management Expertise Of The Offeror Relevant To Providing The Same Or Similar Visitor Services As Those Specified In The Concession Contract

(Total Evaluation Points for Principle Factor # 3 = 15 Pts.)

Using the following format and instructions, clearly identify the business organization and all key individuals that will be involved in management of the proposed concession operation. Include any additional information that you feel necessary to make the relationships clear. Each of the following components should be addressed to present the information requested in this section.

Note to All Bidders: No subcontractors are permitted. The selected offeror will be entirely and exclusively responsible for providing all concession services and operating all concession facilities. Once the successful offeror has entered into a concession contract with Reclamation, it will not be permitted to sell or transfer their concession operation to another entity without Reclamation approval. No successor will be approved unless it meets all of the qualifications described in this prospectus.

Criterion B3 (a) Business Structure

Identify the legal structure of the offeror’s organization. Indicate how long this business organization has been in existence or whether it will be organized specifically to operate the concession.

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Enter the following information for your business organization:

8. Name:

9. Present address:

10. Contact person:

11. Present telephone number:

12. FAX number:

13. Website and Email address:

14. Table 5 - 1: Business Details

Form of business:	Corporation	Partnership	Individual
	Sole proprietorship	Other (explain):	

15. Table 5 - 2: Ownership Details

Names and Addresses of Owners (Corp: Show Controlling Interest; Close Corp: Show All)	Number and Type of Shares or Percentage of Ownership	Total Current Value of Investment
Total Of All Owners		
Total Shares Outstanding		

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16. Names And Addresses Of Owners (Corp: Show Controlling Interest; Close Corp: Show All). Number And Type Of Shares Or Percentage Of Ownership Total Current Value Of Investment

Table 5 - 3: Names and Address of Owners

Name	Address	Title

17. State of incorporation:

18. The following attachments must be provided as applicable for each subject of the form. For offerors and Concession Contractors who are corporations:

- a. Articles of Incorporation.
- b. Bylaws.
- c. Certificate from the State of incorporation indicating that the corporation is in good standing.

19. For offerors and Concession Contractors who are partnerships:

- a. Partnership agreements or joint venture agreements.

20. If the entity that is to be the Concession Contractor is not formally in existence as of the time of submission of the Proposal, demonstrate that the individual(s) or organization(s) that intend(s) to establish the entity that will become the Concession Contractor has (have) the ability and is (are) legally obligated to create and participate in managing the entity.

21. Has the offeror (or have the principals) ever defaulted or been issued a notice of default or been terminated from a management or concession contract or been forbidden from contracting by a public agency or private company? If the answer is yes, provide full details of the circumstances.

YES

No

22. Describe any filings for bankruptcy, fines, or penalties levied by Government agencies, including but not limited to, any and all legal proceedings against the offeror (or its principal's) that are related to the offerors (or its principals) past performance in providing facilities and services similar to those described in the prospectus. Include the date of those occurrences and all related information.

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23. The entity that will operate the concession services must provide a clear, complete, and understandable internal organizational chart. In addition, an external organizational chart must show the relationship between the entity that will operate the concession service and any superior organization(s), all subsidiaries or affiliates and any parent organization with management, financial, or legal relationships to that entity. Show the lines of authority between individuals within all the business organization(s) in full. Within both organization charts, show the names of individuals, as well as titles. Include resumes for those individuals, indicating their relevant experience.

Criterion B3 (b) Management Capability

Reclamation is seeking a business organization that has experience in managing the required and authorized services as described in Section 2 of the concession contract. Describe the ownership, management, legal, and financial relationship and structure of the business organization(s) that would provide the concession services. Clearly identify any related subsidiaries, affiliates, parent, or superior business organizations that will have a substantial role in managing, directing, operating, or otherwise carrying out the services to be provided. If the business organization is to be created, describe any performance guarantees that will be provided.

Demonstrate the offerors competence to manage and operate the specific types of business activities required at New Melones. Respond to the following:

1. Identify and describe specific examples of previous and current business operations conducted by the offeror that demonstrate any current or previous relevant experience.
 - a. Which key individuals proposed for active management in this concession operation was involved in those previous or current operations? Provide dates.
 - b. Include the names and telephone numbers of references able to testify to your organizations and key individual's performance in those previous or current operations.
 - c. Describe involvement in any Federal concession operation or special recreation permits.
2. Identify all individuals who will provide key management or other functions in the concession operations at New Melones. Provide detailed resumes for each.
 - a. Identify the specific role the individual is to play and describe that person's qualifications to play that role.

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- b. Include the names and telephone numbers of references able to testify to the performance of the key individuals in those previous or current operations.
 - c. When discussing individuals work experience, be specific about:
 - Size of operation
 - Dates of engagement
 - Location of operation
 - Specific duties
 - Number of people supervised
 - d. Describe the individuals:
 - Training
 - Education
 - Qualifications, courses, designations, ratings, and licenses obtained
3. Provide an organizational chart for on-site employees that show the lines of authority between departments or functional areas and managers.
- e. Include all key managerial and on-site managerial positions (planning, legal, finance, administration, operations, maintenance, etc.). Provide names and resumes of individuals, as described above. If the specific responsible individuals have not yet been identified, identify positions and duties to be performed.
 - f. Describe the decision making authority to be delegated to the on-site manager(s) and retained in a central headquarters (if any). Who will be the local management decision maker? With whom will Reclamation deal regarding day-to-day operations and issues? Provide a brief description of your local management's ability to make final decisions in working on day to day issues with Reclamation staff.
4. Describe key aspects of your management structure and system.
- g. Indicate the number of employees in your overall New Melones operation and provide summary descriptions of basic functions where the basic functions are not obvious by title. In addition, provide a description of any training

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- programs to be used to ensure core competency and provide opportunities for advancement of employees.
- h. Provide proposed wage levels and estimated hours per week for each position or group of positions.
 - i. What standards or procedures will you apply to the pre-screening, training, termination, and hiring of personnel? (Describe application procedures, drug testing, law enforcement clearances, reference checks, interview requirements, etc.)
 - j. Describe how you intend to initiate and maintain a drug-free environment and eliminate substance abuse in your work force. What will you do to identify individuals who abuse drugs or alcohol? How will you initiate a drug abuse and alcohol abuse educational program? What type of referral- for-treatment program will you provide? What types of commitment do you or will you propose to help those who need assistance?
 - k. How will you achieve a constant standard level of knowledge among the staff about the area (for example, New Melones Marina and campground) and its rules, regulations, and special programs?
 - l. If the concession, or parts of it, will be making a significant phase-up in operations after a period of closure or near closure, such as seasonal shutdown, describe the training program that will prepare the staff for reopening the business. Provide a thorough overview of how you intend to manage and oversee the initial building program and what employees will be involved.

Principle Factor 4

The Bidder's Understanding Of The Financial Needs Of The Business And The Financial Capability To Meet The Necessary Financial Obligations
(Total Evaluation Points for Principle Factor # 4 = 10 Pts.)

The purpose of Principal Factor 4 is to establish certain information through responses to a series of questions that can be confirmed through reference checks, thus establishing compelling evidence of credibility and financial capability of the bidder. Financial commitments are often presented as being much firmer than they actually are; therefore, the reference check is very important. Collateral offered may actually be committed to other obligations and not truly available. Moreover,

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personal net worth offered to back the proposed venture is often neither as great nor as liquid as claimed, or it may be in the possession of people who are not as committed to the venture as asserted in the proposal. Reference checks are the only way to verify such information.

Note: In the event the Offeror is not the legal entity who is to be the Concession Contractor, provide the information described below with respect to both the Offeror, including all partners in a joint venture, and the proposed Concession Contractor. Also describe the Offeror's financial relationship to the proposed Concession Contractor.

Criterion B4 (a): Financial Health and History of Meeting Financial Obligations

Demonstrate that you are financially sound and have a history of meeting your financial obligations by providing the following:

1. The completed Business Credit Information form provided at the end of this section (Principal Factor 4 – Attachment No. 1).
2. Audited financial statements for the two most recent fiscal years, with all notes to the financial statements. Financial statements should be provided for the Bidder/Offeror AND all parent companies. Personal financial statements must be provided for any owners of a sole proprietorship or general partners within a partnership.
3. A CURRENT credit report (within the last six months) from a major credit reporting company such as Equifax, Experian or Dunn & Bradstreet.

Criterion B4 (b): Understanding of Financial Obligations and Operations Needs

Demonstrate your understanding of the financial obligations of the specific and unique business operations that you are proposing in this bid response for New Melones by providing the following:

Provide your estimate of the acquisition and start-up costs of your proposed business using the Acquisition and Start-Up Cost form included at the end of this section (Principal Factor 4 – Attachment No. 2). Explain fully the methodology and the assumptions used to develop the estimate. The information provided should be of sufficient detail to allow a reviewer to fully understand how the estimates were determined.

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Criterion B4 (c): Funding and Sources of Funds

Demonstrate your ability to obtain the required funds by providing the following:

Identify the source(s) of the funds previously presented in your response to Criterion B4 (b). Provide compelling documentation of your ability to obtain the funds from these sources. Explain fully the financial arrangements you propose, using the following guidelines:

1. Document each source and availability of all funds with your current audited financial statements, financing agreements, letters of commitment, or similar supporting documents.
2. If funds are to be obtained from lending institutions (banks, savings and loans, etc.), include a letter that has been sent by you to any specific lender (containing all appropriate bank contact information) permitting the lender to release any information to Reclamation concerning the financing arrangements of this opportunity and your specific proposal. Include the contact name of the institution official who Reclamation may contact in the letter or identify that person and his/her phone number when responding to this Criterion.
3. If funds are to be obtained from an individual or a corporation whose primary fund source is an individual, provide the following as appropriate:
 - a. Current personal financial statement for the primary source of funds.
 - b. Documentation of any assets to be sold.
 - c. Written funding commitment from the individual or corporation.
 - d. Any other assurances or documentation that makes a compelling demonstration that the funds are available.

Criterion B4 (d): Financial Viability of the Proposal

Using the MS EXCEL forms provided in the package entitled 'PROPOSAL PACKAGE FINANCIAL FORMS' located at the end of this section (**PART 5b-Principal Factor 4 –Attachment No. 2**), follow the six guidelines/instructions below and provide projected estimates of the revenues and expenses of your proposed concession business in the

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form of annual prospective: (1) Income Statement, (2) Operating Assumptions (3) Cash Flow statements, and (3) Operating Assumptions; **for the entire term of the contract proposed by you.** Reclamation has provided forms that request the information in the format that Reclamation desires. These forms may differ from the format and requirements set forth in generally accepted auditing standards (GAAS) with regard to prospective financial statements. Reclamation does NOT request that the prospective financial statements be reviewed in accordance with GAAS. In situations where the information requested departs from GAAS, Reclamation requests that the information be provided in the format requested and NOT in conformance with GAAS.

Additional guidelines/instructions regarding the MS Excel forms:

1. Specify and incorporate the annual inflation rate and estimates of real growth you anticipate.
2. You may expand on the information requested on the form but do not change the order of items. If you wish to provide additional information, do so by adding on to the sections provided or in additional spreadsheets, outside of the ones provided. If you wish, an Excel Spreadsheet can be established to provide your information in the order displayed here. If additional information is provided, clearly identify how it fits into the income statement, cash flow, and/or assumption tables. If there are areas on the form where you have no information to enter, just signify by placing an 'NA' for 'Not Applicable' in that spot. Identify the fiscal year beginning and end dates (month and day) that the offeror proposes to operate within.
3. Fully explain the method of preparing the estimates and the assumptions on which your projections are based. Information must be sufficiently detailed to allow a reviewer to determine the basis for the estimates and make a determination of whether or not the projections are realistic.
4. In particular, if you intend to assess a Management Fee, or other form of corporate overhead and profit, you must CLEARLY describe what this fee is comprised of (Officers' salaries, human resources, accounting, marketing, profit, etc).
5. Complete all of the forms provided and submit both hard copy and Excel Spreadsheet files. Failure to provide all of the information requested on these forms may result in a reduced score. Use the outline included in the Operating Assumptions – Prospective Income Statement form. Revenue estimates should be provided by department, and should calculate directly from the bases presented.

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The financial basis of any projections that show significantly increased revenues and/or decreased expenses from the projections provided in the prospectus must be fully explained.

6. Only projected receipts and expenses related to the services "required and authorized" by the Contract are to be included in your prospective statement. Your response must also identify who prepared the estimates and their qualifications to do so.

Special Notes to This Section

1. Reclamation realizes that all business proposals may not neatly fit in the categories provided in the forms at the end of this section. Bidders may establish or build-in additional areas within the forms to enter information that they believe necessary for Reclamation to fully understand their unique business proposal for New Melones; however, bidders should use the basic format provided and at a minimum provide all of the type of information requested in this section of the prospectus.
2. As a part of the review and rating of all proposals, Reclamation intends to have a financial 'Subject Matter Expert', with specific knowledge in the types of businesses being considered for New Melones, as a part of the rating panel to specifically analyze all of the above discussed information and business pro-forma's as it applies generally within the Recreation Hospitality Industry and specifically to the individual bidder's proposal for New Melones. Financial proposals that are determined to demonstrate returns and general financial health that are not well-supported and/or that present projected returns in excess of reasonable business expectations will not be rated as high as those that provide well documented and supportable business levels based upon the bidder's unique proposal.
3. Please provide all the information requested in the order presented.

Business Credit Information

Principal Factor 4 – Attachment No. 1

1. Has Offeror ever defaulted from or been terminated from a management or Concession Contract, or been forbidden from contracting by a public agency or private company?

YES NO

If YES, provide full details of the circumstances.

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2. List any Foreclosures, Bankruptcies, and Transfers in Lieu of Foreclosure and/or Work-Out/Loan Modification Transactions during the past 10 years. (If none, so indicate)

Table 5 - 4: Property Details - Foreclosures, Bankruptcies, Transfers

Name of Property	City State	Property Type	Approximate Loan Amount	Lender	Year of Event

Attach an explanation of circumstances, including resolution, bankruptcy plan, and/or other documentation as appropriate.

1. Describe any fines or penalties levied by government agencies during the past 10 years (if none, so indicate) in regard to business operations under the management of principles of this prospectus proposal.
2. Describe any pending litigation or current lawsuits (other than those covered adequately by insurance) which if adversely resolved would materially impact the financial position of the Offeror.

Principal Factor 5

Financial Benefit to the Government

(Total Evaluation Points for Principle Factor # 5 = 5 Pts.)

Criterion B5 (a) Franchise Fee

Bidders are expected to propose a franchise fee level as a part of their bid. Not only do bidders need to propose a franchise fee, but they also need to provide a well-developed and defensible discussion on how and why they arrived at their position. Reclamation will only consider a franchise fee minimum of one percent (1.0%). Bidders that wish to commit to a franchise fee in excess of the minimum amount may do so and could receive additional credit so long as they adequately demonstrate that a higher franchise fee did not make their overall bid financially unfeasible.

Franchise fees due the Government are secondary in importance to the appropriate development of facilities, provision of services to the public, and a reasonable opportunity for a Concession Contractor to realize a profit. Reclamation recognizes there will be demands on a new Concession Contractor at New Melones to provide funding for various improvements that will be proposed by any successful bidder. Everything being equal between two bids, a higher franchise fee will be considered a better bid than a lower fee. Reclamation will very closely review

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franchise fee proposals in conjunction with the overall financial proforma's submitted in response to this prospectus. Proposals that are judged to be unsupportable or economically infeasible may be found non-responsive in total or at the least be rated much lower than proposals judged to be economically reasonable. It should be apparent that this Principal Factor is closely tied to the preceding Principal Factor 4 and will be evaluated and based, in part, on the overall financial picture and the services and facilities proposed.

The response to this prospectus may also specify an opportunity for the bidder to propose a tiered franchise fee. That is, the fee might be at a lower level for revenues up to a certain amount, then at an increased level for revenues over a certain amount. This would allow Concession Contractors to minimize their risk while also allowing Reclamation to benefit from higher concession revenues.

State the amount of franchise fee you propose. Such fee must at least equal the minimum franchise fee set forth above. Express this fee as a percentage of annual gross receipts, i.e., X.X percent of annual gross receipts.