

**DEPARTMENT OF THE INTERIOR
POLICY MEMORANDUM FOR CONCESSIONS MANAGEMENT**

Introduction

Prompted by the Inspector General's 2005 report of the Department of the Interior's (Department) concessions program, a Concessions Management Working Group (CMWG)¹ was established by charter in January 2006 to enhance coordination among the Department's bureaus (bureaus) and improve the Department's oversight of the bureaus' concession programs. This memorandum, developed by the CMWG, serves as interim policy for the Department's concession management program. A final policy will be incorporated into the Departmental Manual.

While recognizing each bureau's unique needs and requirements, the following policy is an outcome-oriented policy with Department-wide application that builds on the best practices and lessons learned of each bureau. The Departmental concession management policy identifies the required elements to be contained in bureau concessions policies. These include governance, human capital, common program requirements and outcomes, the management of information, and metrics for program success.

Goals of Concessions Management

The overall goals of the Department's concessions activities are to:

- Provide, using concession authorizations², commercial visitor services that are in accordance with bureau-specific missions, policies and guidance;
- Ensure consistency, to the highest practicable degree, with the preservation and conservation of the resources and values of the unit, and demonstrate sound environmental management and stewardship;
- Ensure a fair return to the government from the concessioner³ operated activities; and
- Provide for franchise fees or other consideration from the concessioner to be made available for expenditure, in part or whole, by the sites for which they are collected. Those bureaus without this ability will seek such authority.

Governance and Guidance

It is the policy of the Department to:

- Use standardized templates for the various types of concession agreements within the bureaus and, as appropriate, across the bureaus;
- Review concession authorizations for legal sufficiency prior to execution by the bureaus;

¹ The CMWG consists of representatives from Bureau of Land Management (BLM), Bureau of Reclamation (BOR), Fish and Wildlife Service (FWS), National Park Service (NPS), Office of the Solicitor, Office of Policy Analysis, and Office of Acquisition and Property Management. BLM, BOR, FWS and NPS are the only bureaus in the Department of the Interior with a concessions management program.

² For the purposes of this policy memorandum, the term "authorizations" applies to concessions contracts, leases, agreements, licenses, and permits.

³ May also be referred to as "concessionaire".

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- Have the Director of the Office of Acquisition and Property Management serve as the designated Department official to provide oversight by improving coordination and consistency across bureaus;
- Establish the CMWG as the designated Departmental working group to standardize policies, improve business practices, and increase coordination; and
- Hold periodic meetings of the CMWG, not less than annually, to review significant issues related to concessions management.

Concessions Management Policy

Unless otherwise provided by law, the bureaus will provide, through the use of concession authorizations, appropriate commercial visitor services for public use and enjoyment. Concession operations are subject to the provisions of this policy, bureau specific policies and guidance, and applicable law. The bureaus will have policies and guidance that, at a minimum, include the following:

1. Commercial Visitor Services Planning will identify the appropriate role of commercial operations within bureaus. Activities must be compatible with and appropriate to the mission of the bureau and the purpose(s) of the host site. The bureaus will provide specific guidance to units regarding the basis for making a determination as to whether to authorize and/or to continue an existing concession operation.

2. Concession Authorizations will use approved standard language developed by each bureau. The bureaus will ensure strict compliance with terms and conditions of the concession authorization. The policies and guidance will also address the following:

- the term of the concession authorization;
- how concession authorizations may be modified;
- how concession authorizations may be extended;
- competition for concession authorizations; and
- termination of concession authorizations.

Furthermore, it is the policy of the Department that concession authorizations shall generally be awarded according to a competitive process⁴ that includes, at a minimum, the following components:

- solicitation of proposals;
- preparation and development of a prospectus;
- issuance of a public notice;
- criteria for proposal evaluation; and
- the requirement for payment of a franchise fee or other consideration by the concessioner.

⁴ While competition is warranted in almost all cases, there may be certain situations where the award of a concession authorization to a particular party is justified. For the National Park Service, such situations are governed by statute and regulation.

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3. Concession Operations will be governed by the concession authorization, including any operating plans or other requirements applicable to the concession. The specific content of those plans and requirements will be determined by each bureau and will be site-specific. At a minimum, the plans and requirements will address:

- expected level of service and quality;
- a method to evaluate concessioner operations;
- a requirement for the bureaus to approve rates charged by concessioners;
- a requirement for each concessioner to develop a risk management program;
- a requirement for concessioners to comply with applicable provisions of laws, regulations and policies, including but not limited to those governing protection of natural and cultural resources, human health and the environment; and
- provisions for insurance – including liability and personal property, as appropriate -- with specification of the types and minimum amounts of coverage required.

4. Financial Management is a critical aspect of a concessions program. The bureaus will have specific policies and guidance regarding concessioner record keeping and the provision of financial reports and audits. As allowed by applicable law and policy, concession authorizations must provide for a payment to the government of a franchise fee or other consideration from the concessioner. Except as otherwise required by law, the fees or other consideration to be paid to the Government by the concessioner will be determined by the bureaus and be based upon full consideration of the privileges and uses granted by the particular concession authorization involved. Franchise fees or other consideration to be paid to the United States for the term of the concession authorization must be specified in the concession authorization. The bureau may specify the process and conditions under which franchise fees or other consideration from the concessioner may be modified.

5. Concession Facilities will be of a size and at a location that the bureau determines to be necessary and appropriate for their intended purposes. All concession facilities must comply with applicable federal, state, and local construction codes, and meet accessibility requirements as set forth in applicable accessibility guidelines. To the extent allowed by law, the concession authorization may require concessioners to be responsible for maintenance and repair of facilities, lands, and utility systems assigned for their use, in accordance with standards acceptable to the bureau.

6. Information Management is an integral part of administering concession authorizations. Bureaus will utilize an integrated system that enables concessions data to be maintained, tracked, and reported. The system will be governed through the information technology capital planning and investment control (CPIC) process employed within the Department. Coordinated Departmental information management systems to be used by the bureaus will capture, at a minimum:

- information on concession agreements;
- concessioner performance evaluations;
- financial reports;
- facility data; and
- capital improvement projects.

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As appropriate, electronic data transfer capability between this system and DOI's Financial and Business Management System (FBMS) will be established. Data from the system may be used in support of DOI's CPIC process for constructed assets.

7. Human Capital strategies will be developed and implemented by each bureau that is involved in concessions management. These strategies should focus on recruiting, supporting, and promoting employees with the expertise and skills to accomplish the current program objectives and long-term program goals. The bureaus' strategies must assess the current skills inventory of the workforce, identifying the short and long term goals, establish plans, including recruitment and retention strategies, for obtaining and maintaining the Concessions Management Workforce resources and skills required to meet the needs of the bureaus.

The bureaus will develop and maintain a Concessions Management Human Resources (HR) Program to ensure the development of a competent, professional workforce to support the accomplishment of their mission. The scale of each bureau's Concessions Management Human Resources Program shall be in proportion to the scale of the bureau's concessions operations and workforce. Bureaus with a smaller concessions workforce are encouraged to coordinate with other bureaus in order to develop and implement their human resources strategies. Bureaus with smaller scale of concession activities should also seek opportunities to use the training programs and expertise of bureaus with larger concessions programs.

Summary

This interim policy is intended to assist in improving accountability and transparency, making the concessions program more amenable to audit and comparison to similar activities conducted in both the public and private sectors; improving business relations through more uniform bureau concessions policies; and improving the quality of services provided to the public through the introduction of competition. A final policy of the Department will be incorporated into a new Departmental Manual chapter on concessions management.

Please address questions and suggestions on the policy to Bob Jarcho, the CMWG Chair, at 202-208-3329 or at Robert_Jarcho@ios.doi.gov.