

Use Code 141

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

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



03/01/2011

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I. Business Opportunity

A. Introduction

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

1. Christopher Creek Complex
 - a. Family Campground
 - b. Group Use Site
 - c. Picnic Site
2. Houston Mesa Complex
 - a. Family Campground
 - b. Horse Campground
 - c. Group Use Sites (Fox 1 and 2)
3. Ponderosa Complex
 - a. Family Campground
 - b. Group Use Sites (Loop E and F)
4. Sharp Creek Complex
 - a. Family Campground
 - b. Group Use Sites (Manzanita 1,2, and 3)
5. Tonto Creek Complex
 - a. Upper Tonto Creek Campground
 - b. Lower Tonto Creek Campground
 - c. Horton Creek Picnic Site
 - d. Midway Picnic Site
6. Shoofly Village
 - a. Interpretive Site
 - b. Picnic Area
7. East Verde Complex
 - a. First Crossing Picnic Site
 - b. Second Crossing Picnic Site
 - c. Third Crossing Picnic Site
 - d. Water Wheel Picnic Site

Optional Bid Sites

Prospective bidders are not required to bid on optional sites.

1. Two-Sixty Trailhead
2. See Canyon Trailhead
3. Pine Trailhead
4. Fossil Springs Trailhead
5. East Verde Picnic Area
6. Flowing Springs Picnic Area

The authorized officer for this business opportunity is the Forest Supervisor for the Tonto National Forest, 2324 East McDowell Road Phoenix, Arizona 85006.

The current permit for this concession expires on 12/31/2011. Over the past three years, this concession has generated the following gross revenues:

| Year | Gross Revenue |
|-------------|----------------------|
| 2008 | \$306,986.25 |
| 2009 | \$380,558.33 |
| 2010 | \$344,875.38 |

B. Area Description

The offered recreation sites are located on the Payson Ranger District of the Tonto National Forest within Gila County of the state of Arizona (*see* Appendix A). The District is located approximately 70 miles north of the metropolitan Phoenix area, and 90 miles southeast of Flagstaff. Currently, the Town of Payson has a population of approximately 13,600 people and is growing. The District office is located one mile east of the intersection of State Route 87 and State Route 260.

The majority of visitors who recreate on the Payson Ranger District are from the metropolitan Phoenix area and come to the area seeking climatic relief from the summer heat and to experience a forested environment. Due to the close proximity of the Tonto National Forest to Phoenix, it is among the most visited National Forests in the Nation. The District covers a large and diverse geographic area that encompasses over 470,000 acres. A broad range of recreational opportunities are available for visitors to enjoy including, fishing, swimming, hiking, picnicking, bicycling, riding horses, viewing scenery and wildlife, firewood cutting, and hunting.

The topography of the District transitions from a desert biome in the southern portion to a pinyon-juniper biome in the central section to a ponderosa pine woodland biome on the northern boundary. Elevations range from 2,800 feet to 7,900 feet.

Summers are pleasant with daytime temperatures between 80 and 100 degrees Fahrenheit (with occasional temperatures reaching over 100 degrees) and evening temperatures usually between 40 and 50 degrees. May and June are traditionally the driest months of the year. July and August traditionally experience afternoon and evening thunderstorms known as monsoons. Spring and fall are quite comfortable with temperatures ranging from the low 30's to the high 70's. Daytime winter temperatures range from 40 degrees to 50 degrees and on occasion nighttime temperatures drop down into the teens. Yearly precipitation average is approximately 22 inches.

The recreation sites offered in this prospectus are located north and east of the Town of Payson with site locations varying from one to 30 miles from the District Office in Payson. All mandatory bid sites are accessible from State Highway 87, State Highway 260, and the Houston Mesa Road (Forest Road 199) with paved access. The majority of sites identified in this Prospectus are located within ponderosa pine while others are located in a pinyon-juniper environment.

C. Description of Developed Recreation Sites and Facilities

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

Christopher Creek Complex

The Christopher Creek Complex is located 21 miles east of Payson, Arizona on the south side of Highway 260 and is located on 12 acres. The complex is comprised of a family campground with 43 sites, a single group use site, and a day use picnic area.

The family campground is situated on either side of Christopher Creek with a vented ford connecting both sides. Each of the 43 units is equipped with a picnic table, pedestal grill, and fire ring. There are eight vault toilets strategically placed throughout the site. A Forest Service well provides water to eight faucets each located near a vault toilet. The interior campground roads and parking spurs are paved.

The group use site consists of a parking area, a single vault toilet along with multiple picnic tables and fire devices. The site is limited to 25 people and a maximum of eight passenger vehicles.

The day use picnic area consists of a paved parking area, one vault toilet, and multiple picnic sites with tables and pedestal grills. The picnic sites are connected by a crushed gravel path which ends at an overlook along Christopher Creek.

| Christopher Creek | Campground | Group Unit | Picnic Area |
|--------------------------------------|----------------------------------------------------------|---------------------------------|--------------------|
| Host Sites | 3 | 0 | 0 |
| Drinking Water | Forest Service well | Forest Service well | None |
| Toilet Type | 8- Single Vault | 1-Single Vault | 1-Single Vault |
| Toilet Vault Capacity | 1,000 gallons | 1,000 gallons | 1,000 gallons |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor | Trash can |
| Accessibility | 1 sites | 0 | 1 site |
| Elevation | 5640' | 5640' | 5640' |
| Access | Paved | Paved | Paved |
| Trailer Limit | 20' | 20' | N/A |
| Number of Units | 43 | 1 | N/A |
| 2009 Fee | \$16.00 | \$55.00 | \$8.00 |
| 2010 Fee | \$16.00 | \$55.00 | \$8.00 |
| Minimum Operating Season | April-October | April-October | April-October |
| Three-Year Gross Revenue (2008-2010) | 2008 \$68,264.29 2009 \$86,126.81 2010 \$83,270.81 | | |

Houston Mesa Complex

The Houston Mesa Complex is located just north of Payson off of the Houston Mesa Road. The site is comprised of a family campground, a horse campground, and two large group units. The family campground is located on the north side of the Houston Mesa Road on 60 acres while the horse camp and two group sites are located on the south side of Houston Mesa Road on 30 acres.

The family campground has 75 family units. Each of the 75 units is equipped with a picnic table, fire pit, and pedestal grill. Two of the loops (Mountain Lion and Elk) are open to RV and trailer camping while one loop (Bear) is only open to tent camping. The site has four flush toilet facilities, one shower building, one amphitheater, one dump/lift station, an entry station and an interpretive trail. Facility water and sewer systems are directly connected to the Town of Payson infrastructure. Interior campground roads and parking spur surfaces are asphalt.

The horse campground consists of 30 sites. All sites come standard with picnic tables, fire rings, pedestal grills, and a two stall horse corral. Roads and parking areas within the site are a mix of asphalt and gravel. There are three flush toilet facilities and multiple faucets for water. A nine mile trail (Houston Mesa Loop Trail) exits the back of Horse Camp and provides access to Forest Service trails and land.

Two group sites (Fox 1 and 2) are located at the south side of Horse Camp. Both sites have large gravel parking areas and share a four riser flush toilet unit. Fox 2 has a large ramada with access to electrical power. Both sites have multiple picnic tables.

| Houston Mesa | Campground | Horse Camp | Group Units |
|--------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| Host Sites | 3 | 1 | 0 |
| Drinking Water | Town of Payson | Town of Payson | Town of Payson |
| Toilet Type | 4- flush toilets units 1- shower/toilet facility with 6 shower stalls and four flush toilets | 4-flush toilets | 1-four riser flush toilet facility |
| Toilet Vault Capacity | Northern Gila County Sewer System | Northern Gila County Sewer System | Northern Gila County Sewer System |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor | Dumpster provided by contractor |
| Accessibility | 3 | 2 | 2 |
| Elevation | 5060' | 5060' | 5060' |
| Access | Paved | Mixed gravel and asphalt | Gravel |
| Trailer Limit | 45' | 45' | N/A |
| Number of Units | 75 | 30 | 2 |
| 2009 Fee | \$20.00 | \$16.00 | \$95.00 |
| 2010 Fee | \$20.00 | \$16.00 | \$95.00 |
| Minimum Operating Season | February-November | February-November | February-November |
| Three-Year Gross | 2008 | \$116,113.50 | |

| | | |
|---------------------|------|--------------|
| Revenue (2008-2010) | 2009 | \$131,912.58 |
| | 2010 | \$122,092.18 |

Ponderosa Complex

The Ponderosa Complex is located 12 miles east of Payson on the south side of Highway 260. The complex is made up of a family campground and two group sites located on 48 acres of land on the south side of the highway.

The family campground consists of 61 sites. All sites come standard with picnic table, fire ring and pedestal grill. There are 11 vault toilets strategically placed throughout the site. A Forest Service well located on the north side of Highway 260 provides water to multiple faucets throughout the site. The site also has a dump station, amphitheater, and nature trail. Interior campground roads and parking spur surfaces are asphalt.

The two group units are located at the southern end of the family campground and consist of two drive through loops (E and F). There are multiple tables, grills, and fire devices at each of the two sites.

| Ponderosa | Campground | Group Units |
|--------------------------------------|---------------------------------|---------------------------------|
| Host Sites | 2 | 0 |
| Drinking Water | Forest Service well | Forest Service well |
| Toilet Type | 11- Double Vault | 1-Double Vault |
| Toilet Vault Capacity | 1,000 gallons | 1,000 gallons |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor |
| Accessibility | 3 | 2 |
| Elevation | 5600' | 5600' |
| Access | Paved | Paved |
| Trailer Limit | 45' | N/A |
| Number of Units | 61 | 2 |
| 2009 Fee | \$16.00 | \$55.00 |
| 2010 Fee | \$16.00 | \$55.00 |
| Minimum Operating Season | April-October | April-October |
| Three-Year Gross Revenue (2008-2010) | 2008 | \$67,661.50 |
| | 2009 | \$86,686.49 |
| | 2010 | \$73,930.89 |

Sharp Creek Complex

The Sharp Creek Complex is located approximately 25 miles east of Payson on the south side of Highway 260. The complex consists of a family campground and three large group use areas.

The family campground consists of 30 sites in three loops. Each site comes standard with a picnic table, fire ring, lantern hanger, and pedestal grill. Two loops (Oak and Juniper) are open to

RV and trailer camping while one loop (Pine) is open only to tent camping. There is a double vault toilets located strategically in each loop. Three sites meet barrier free standards. Interior roads and parking areas are all paved.

Three group sites are located south of the main campground. Each site consists of one 36x36 ramada, parking for up to 20 cars, picnic tables, a vault toilet, grills, a water faucet, and multiple fire devices. Manzanita group site #2 is handicapped accessible and each site has electric lighting.

| Sharp Creek | Campground | Group Units |
|--------------------------------------|---------------------------------|---------------------------------|
| Host Sites | 2 | 0 |
| Drinking Water | Forest Service well | Forest Service well |
| Toilet Type | 3- Double Vault | 1-Double Vault at each site |
| Toilet Vault Capacity | 1,000 gallons | 1,000 gallons |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor |
| Accessibility | 3 | 1 |
| Elevation | 6000' | 6000' |
| Access | Paved | Paved |
| Trailer Limit | 45' | N/A |
| Number of Units | 30 | 3 |
| 2009 Fee | \$20.00 | \$105.00 |
| 2010 Fee | \$20.00 | \$105.00 |
| Minimum Operating Season | April-October | April-October |
| Three-Year Gross Revenue (2008-2010) | 2008 | \$47,323.96 |
| | 2009 | \$65,158.70 |
| | 2010 | \$55,830.50 |

Tonto Creek Complex

The Tonto Creek Complex can be reached from Payson by taking SR 260 east for approximately 20 miles and consists of two campgrounds (Upper and Lower) and two picnic sites (Horton Creek and Midway).

Lower Tonto Campground consists of six walk in family campsites and three group walk in campsites. Each site consists of a picnic table, fire ring, and a single tent pad. The group sites consist of two picnic tables, a fire ring, and two tent pads. There are two double vault CXT toilets that meet barrier fee standards. A handicapped accessible path provides access to Tonto Creek and the sites. A large parking lot provides parking for 39 passenger vehicles. Currently the site has no potable water system or electricity.

Upper Tonto Creek Campground is located one mile north of Lower Tonto Creek Campground on 7 acres of land. Access to the facility is off a paved road, but the campground road and spurs are of a gravel composition. The family campground consists of nine sites with basic amenities

(tables, fire ring, tent pad, and pedestal grill). There is one double vault CXT toilet. Two popular hiking trails, Horton Springs Trail and the Derrick Trail, originate from the Upper Tonto Creek campground.

Horton Creek Picnic Area and Trailhead is located just below the Upper Tonto Creek Campground on the opposite side of Tonto Creek. The site consists of a paved parking area, one CXT toilet, and five picnic sites. This site provides access to the picnic area and also parking for the Horton Creek Trail and the Derrick Trail.

Midway Picnic Area is located half-way between the Upper and Lower Tonto Creek Campgrounds. It consists of a paved parking area with capacity for 20 vehicles, one CXT toilet, and four picnic sites with tables.

| Tonto Creek | Upper Campground | Lower Campground | Horton Creek Picnic Site | Midway Picnic Site |
|--------------------------------------|--------------------------------------------------------|---------------------------------|---------------------------------|---------------------------|
| Host Sites | 1 | 0 | 0 | 0 |
| Drinking Water | Forest Service well | None | None | None |
| Toilet Type | 1-double vault | 2-double vault | 1-single vault | 1-single vault |
| Toilet Vault Capacity | 1,000 gallons | 1,000 gallons | 1,000 gallons | 1,000 gallons |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor | Trash cans | Trash cans |
| Accessibility | 1 | 9 | 1 | 1 |
| Elevation | 5060' | 5060' | 5060' | |
| Access | Mixed: gravel and asphalt | Paved | Paved | Paved |
| Trailer Limit | 20' | N/A | N/A | N/A |
| Number of Units | 9 | 9 | 5 picnic | 4 picnic |
| 2009 Fee | \$14.00 | N/A | N/A | N/A |
| 2010 Fee | \$14.00 | N/A | N/A | N/A |
| Minimum Operating Season | April-October | April-October | Year Round | Year Round |
| Three-Year Gross Revenue (2008-2010) | 2008 \$7,623.00 2009 \$10,673.75 2010 \$9,751.00 | N/A | N/A | N/A |

Shoofly Village

Shoofly Village is located 5 miles northeast of Payson on the east side of Houston Mesa Road. Facilities provided at the site include a large parking area, six ramadas with picnic tables and grills, a vault toilet, and a handicap-accessible self-guided interpretive trail. The site interprets a

prehistoric Native American village that was occupied between A.D 1000 and 1250. This site will be managed as day use only.

| | |
|--------------------------|----------------|
| Shoofly | Site |
| Host Sites | 0 |
| Drinking Water | N/A |
| Toilet Type | 1-Single Vault |
| Toilet Vault Capacity | 800 gallons |
| Trash Bin Type | Trash Cans |
| Accessibility | Yes |
| Elevation | 6400' |
| Access | Paved |
| Trailer Limit | N/A |
| Number of Units | 6 picnic |
| 2009 Fee | N/A |
| 2010 Fee | N/A |
| Minimum Operating Season | Year Round |

East Verde Complex

The East Verde Complex includes four picnic sites located along the East Verde River. All sites are accessed from the Houston Mesa Road (Forest Road 199). All sites provide access to the East Verde River and are popular for swimming and fishing.

First Crossing Picnic Area is located seven miles northeast of Payson off of the Houston Mesa Road. This site was improved in 2010 and consists of a parking area with a capacity for 19 passenger vehicles, a CXT toilet, and multiple picnic tables.

Water Wheel Picnic Area is located 7.5 miles northeast of Payson off of the Houston Mesa Road. This site was improved in 2010 and consists of a paved parking area with a capacity for 40 passenger vehicles, a CXT toilet, and multiple picnic tables. This site has a historic water wheel and the foundations of several homestead buildings within the site.

Second Crossing Picnic Area is located 8 miles northeast of Payson off of the Houston Mesa Road. This site was improved in 2010 and consists of a parking area with a capacity for 29 passenger vehicles, a CXT toilet, and multiple picnic tables. The parking lot also provides access via trail to the popular Ellison Creek/Cold Springs area.

Third Crossing Picnic Area is located 8.5 miles northeast of Payson off of the Houston Mesa Road. This site was improved in 2010 and consists of a parking area with a capacity for 21 passenger vehicles, a CXT toilet, and multiple picnic tables.

| East Verde | First Crossing | Second Crossing | Third Crossing | Water Wheel |
|-------------------|-----------------------|------------------------|-----------------------|--------------------|
| Host Sites | 0 | 0 | 0 | 0 |

| | | | | |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Drinking Water | None | None | None | None |
| Toilet Type | 1-single vault | 1-single vault | 1-single vault | 1-single vault |
| Toilet Vault Capacity | 1,000 gallons | 1,000 gallons | 1,000 gallons | 1,000 gallons |
| Trash Bin Type | Dumpster provided by contractor | Dumpster provided by contractor | Dumpster provided by contractor | Dumpster provided by contractor |
| Accessibility | 1 | 1 | 1 | 2 |
| Elevation | 4800' | 4800' | 4800' | 4800' |
| Access | Paved | Paved | Paved | Paved |
| Trailer Limit | N/A | N/A | N/A | N/A |
| 2009 Fee | N/A | N/A | N/A | N/A |
| 2010 Fee | N/A | N/A | N/A | N/A |
| Minimum Operating Season | Year Round | Year Round | Year Round | Year Round |
| Three-Year Gross Revenue (2008-2010) | N/A | N/A | N/A | N/A |

THE FOLLOWING IS A DESCRIPTION OF EACH OPTIONAL BID SITE INCLUDED IN THIS PROSPECTUS.

Two-Sixty Trailhead

The Two-Sixty Trailhead is located 35 miles east of Payson off of State Highway 260. The site consists of a large dirt parking area, one CXT toilet and a double horse corral. The site provides access to the Highline National Recreation Trail and the Military Sinkhole Trail.

See Canyon Trailhead

The See Canyon Trailhead is located two miles north of the community of Christopher Creek about 30 miles east of Payson off of Highway 260. Access to the site is via Forest Road 284 which is not paved. The site consists of a large dirt parking area, one CXT toilet and a double horse corral. The site provides access to the Highline National Recreation Trail, See Canyon, and See Springs Trail. This site is also a popular fishing area.

Pine Trailhead

The Pine Trailhead is located 14 miles north of Payson off of Highway 87. The site consists of a large paved parking area, one CXT toilet and a double horse corral. The site provides access to the Highline National Recreation Trail, Arizona National Scenic Trail, Pine View Trail, Donahue Trail, and Pine Canyon Trail.

Fossil Springs Trailhead

Fossil Springs Trailhead is located seven miles west of the Village of Strawberry off of Forest Road 708. The first three miles of FR 708 are paved. The site consists of a large dirt parking

area, one CXT toilet and a double horse corral. The site provides access to the popular Fossil Springs Trail.

East Verde Picnic Area

The East Verde Picnic Area is located five miles north of Payson off of Highway 87 along the East Verde River. The site consists of a small dirt parking area, one CXT toilet, and four picnic sites.

Flowing Springs Picnic Area

Flowing Springs Picnic Area is located five miles north of Payson off of Highway 87 on Forest Road 272. Forest Road 272 is not paved. The site consists of a large parking area, a single CXT toilet and 6 picnic sites with tables.

D. Government-Furnished Property

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

E. Government-Furnished Supplies

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

- Forms to report use and revenue (*see* Appendix 5 of the prospectus)
- A copy of the Forest Service publications, “Cleaning Recreation Sites,” “In-Depth Design and Maintenance Manual for Vault Toilets,” and “Vault Toilet Pumping Contract Specifications and Guidelines for Preparing Contracts.”
- A copy of “Recreation Opportunity Guides,” which the holder may reproduce at its expense.
- Title VI signs.

F. Utilities and Waste Management

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

Electrical

Only select host sites, select group sites, and the toilet facilities at Sharp Creek and Houston Mesa have electrical power. No individual sites have electrical power. The holder will be responsible for payments to electrical supplier.

Previous Provider

Arizona Power Service

400 West Longhorn Road
Payson AZ 85541
(928) 474-4818

Water

Water at all developed overnight sites is provided by a Forest Service well system except for the Houston Mesa Complex which is on the Town of Payson Water System and Lower Tonto Creek Campground which has no water system. It is the responsibility of the permit holder to ensure that the existing water systems area turned on for the operating season and properly shut down after the season (*see* Appendix 10 of the prospectus). The holder is required to become familiar with the different water systems so they can service and maintain them.

Previous Provider

Town of Payson Water Department
303 A North Beeline Highway
Payson AZ 85541
(928) 474-5242 x4

Garbage

The permit holder will be responsible for garbage removal at all sites. There are varying numbers and kinds of dumpsters at each site. Generally one or two dumps are needed per week, however at peak use, dumping may be needed more frequently. Prospective bidders are encouraged to visit each site in order to gain a better understanding of garbage requirements. The Sharp Creek Complex is required by Arizona Game and Fish to have bear proof dumpsters.

Previous Provider

Waste Matters Inc.
113 West Tonto Street
Payson AZ 85541
(928) 474-4818

Liquid and Solid Waste Disposal

The permit holder is responsible for pumping all vault toilets and septic systems at the developed recreation sites. Complete pumping of a sewage vault is considered to be needed when it reaches $\frac{3}{4}$ full. All holding tanks are pumped 2-3 times per year or as needed. Some locations receive use outside the normal camping season and vaults may not be completely empty at the beginning of summer operations. Restrooms are locked in the off season; however, in some incidental cases the restroom may be open for limited time. The permit holder will be responsible for pumping the incidental usage. In cases that it was determined the use was more substantial than what would be incidental the Forest Service will be responsible.

II. Forest Service Concession Programs and Policies

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

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

A. National Recreation Reservation Service (NRRS)

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

Dennis Garcia
Region 3 NRRS Coordinator
Telephone: (505) 842-3443
Email: dggarcia@fs.fed.us
Facsimile: (505) 842-3800

John Cameron
Forest Service Contracting Officer's Technical Representative
Telephone: (850) 523-8589
Email: jhcameron@fs.fed.us

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

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

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

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

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

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

Group use areas: from 360 to 4 days prior to arrival date.

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

- Obtain daily arrival reports (DARs) from the NRRS contractor each morning by establishing at least one central facsimile location, email address, or other means of obtaining and distributing DARs.
- Develop a system for posting reservations at the sites so other visitors know which units are reserved.
- Post and hold reserved sites for 24 hours.
- Ensure that the party with the reservation is the party using the site.
- Resolve any disputes over the use of reserved sites by drop-in campers.
- Verify that visitors hold a Golden Age or Golden Access Passport or the America the Beautiful–National Parks and Federal Recreational Lands Pass (ATB Pass) authorized under the Federal Lands Recreation Enhancement Act (REA), 16 U.S.C. 16 U.S.C. 6801-6814, before giving the discount on fees for those passes (*see* section II.B).
- Develop inventory data for sites being added to the NRRS, and update data for sites currently in the NRRS (including fees charged the public and temporary site closures). Submit data to the NRRS at least annually for data updates.
- Communicate to the NRRS any emergency closures or other relevant operational changes as they occur.
- Approve customer refunds as appropriate, and process them through the NRRS. NRRS refund policies can be found at <http://www.reserveusa.com/jsp/homepage.jsp?goto=/home/policies.html>.

Because reservations can be made up to a year in advance for group sites and up to 240 days in advance for family sites, the NRSS is currently accepting reservations for the 2012 operating season. Fees received by the NRSS for reservations after December 31, 2011 will be held by the Forest Service and distributed following issuance of a special use permit to the successful applicant. In the final year of the permit, fees will be held in the same manner until a new permit is issued. The permit holder will honor reservations made prior to issuance of the permit at the price in effect when the reservations were made.

B. Pass Discounts

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

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

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

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

The following is a list of sites covered by this prospectus where the 50 percent discount for passes applies:

- Christopher Creek Campground
- Houston Mesa Campground and Horse Camp
- Ponderosa Campground
- Sharp Creek Campground
- Upper Tonto Creek Campground
- Lower Tonto Creek Campground

The following is a list of sites covered by this prospectus where the 50 percent discount for passes **does not** apply:

- Shoofly Village Interpretive Site
- Christopher Creek Picnic Site
- First Crossing Picnic Site
- Second Crossing Picnic Site
- Third Crossing Picnic Site
- Water Wheel Picnic Site
- Horton Creek Picnic Area
- Midway Picnic Area
- All optional bid sites also fall under this category

Standard Amenity Recreation Fee Sites Under REA [Reserved]. The Forest Service is proposing a revision to FSM 2344.3 to address treatment of standard amenity recreation fee sites in the concession program. The agency reserves the right to amend a special use permit issued under this prospectus to be consistent with any change in that directive.

C. Camp Stamps

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

D. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair; construction; floods, snow, extreme fire danger, or other natural events; wildlife protection; or risks to public health and safety. The Forest Service shall not be liable to the

permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

E. Administrative Use

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

F. Applicable Forest Orders

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

G. Fee Tickets and Compilation of Use and Revenue Data

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

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

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

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

In addition, year-end use reports must include:

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

H. Customer Service Comment Cards

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

I. Performance Evaluations

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

J. Accessibility

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

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

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

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

K. Camping Unit Capacity

Number of Vehicles per Camping Unit

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

Group Site Capacity

The capacity established for group sites is as follows:

Christopher Creek Group: Site will accommodate up to 25 people and 8 vehicles.

Houston Mesa: Fox 1 will accommodate up to 65 people and 20 vehicles.

Houston Mesa: Fox 2 will accommodate up to 65 people and 20 vehicles.

Ponderosa: E-Loop will accommodate up to 50 people and 10 vehicles.

Ponderosa: F-Loop will accommodate up to 50 people and 10 vehicles.

Sharp Creek: Manzanita 1 will accommodate up to 75 people and 20 vehicles.

Sharp Creek: Manzanita 2 will accommodate up to 75 people and 20 vehicles.

Sharp Creek: Manzanita 3 will accommodate up to 75 people and 20 vehicles.

Lower Tonto Creek: Site one will accommodate up to 20 people

Lower Tonto Creek: Site two will accommodate up to 20 people

Lower Tonto Creek: Site three will accommodate up to 20 people

Day Use Site Capacity

Shoofly Village Interpretive Site: 30 passenger vehicles

First Crossing: Site will accommodate 19 passenger vehicles

Second Crossing: Site will accommodate 29 passenger vehicles

Third Crossing: Site will accommodate 21 passenger vehicles

Water Wheel: Site will accommodate 40 passenger vehicles

Christopher Creek: Site will accommodate 10 passenger vehicles

Horton Creek: Site will accommodate 15 passenger vehicles

Midway: Site will accommodate 25 passenger vehicles

L. Stay Limit

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

M. Fees Charged to the Public

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

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- General access, unless specifically authorized by REA.

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

N. Law Enforcement

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

O. Other Pertinent Information

Emergency Response

The holder should be prepared to respond to any emergencies (medical, law enforcement, facility breakdown, fire, flood, etc.) that might occur in and around the facilities covered under the permit. The holder will report personal and/or vehicular accidents within 24 hours to the Forest Service in writing.

Concession Administered Pass

The bid package must include an annual pass, sold and administered by the concessionaire, which allows entry into district sites excluding campgrounds. The pass shall be available to the public on January 1, 2012. Prospective bidders should describe the pass, how it will be administered, where it will be sold and how much it will cost. Applicants should provide detailed information regarding how they will fulfill the concessionaire's responsibility for providing an annual pass. Fees charged for the pass may be retained by the holder.

Vandalism

The holder shall take reasonable measures to prevent and discourage vandalism and disorderly conduct. Contact the appropriate law enforcement office when necessary.

Disease

Applicants should describe how they will manage diseases in the permit area. We are in an identified potential Hantavirus, plague, and West Nile environment.

Communication Systems

The holder is required to provide a means of communication (e.g., two way radios, cellular phones, etc.) between all employees, the Forest Service, the National Recreation Reservation System, and emergency response agencies. Applicants should describe how they will ensure complete, timely, and accurate communication between all affected interests. Applicants should also describe who will be the holder's on site representative(s) and how that person will communicate with the Forest Service.

Fire Prevention

The applicant must include a fire prevention plan in the application that addresses, as a minimum:

- How the applicant will prevent wildfires and structural fires
- Reporting procedures and emergency response (evacuation plan), should a fire occur
- Training and experience of employees, relative to fire
- Prevention/suppression
- Fire prevention/suppression tools and equipment that will be on-site

Use of Fee Site by Non-Fee Guests

Incidental individual recreational use of toilets and or potable water facilities in fee sites by visitors other than campground occupants, such as hikers, bikers, sight seers, and the casual passerby will be allowed at no charge.

Pest Control

Applicants should describe how they will control pests in the permit area. All pest control will be coordinated with the Forest Service.

Recycling

Recycling of all materials is encouraged. Holder supplied recycling receptacles will be subject to approval by the Forest Service. The holder will be responsible for emptying recycled materials from the receptacles and removing them from the campground to an approved recycling facility. Any proceeds from the sale of recycled materials may be retained by the permit holder.

Signs and Posters

Signs or other advertising posted on National Forest system lands must be approved by the authorized officer as to location, design, size, color, and content. All signs must be of professional quality and maintained in a good condition (neat, clean, not faded or torn). Handwritten signs or posters are not allowed.

The holder will be required to have a sign posted at the entrance of all sites, stating that the site is run under a permit from the U.S. Forest Service and include the name of the holder.

Marketing

The holder shall accurately represent the accommodations and services provided to the public within the permit area in all advertisements, signs, brochures, and any other materials. The fact that the permit area is located on the Tonto National Forest shall be made readily apparent in all advertising and signing.

All forms of advertising must contain the following words: “XXX Company is an equal opportunity provider.”

Wildlife Mitigation

Campgrounds attract wildlife through the presence of food, trash, and other strong odors, such as personal toiletry items that are typically kept at individual camp sites. In order to prevent wildlife encounter problems, campers must keep these items secured (enclosed) within hard sided vehicles or hard sided camping units when they are not physically present at their campsite and during night time sleeping hours. Campground hosts must inform campers of this need and that, for example, trash bags hanging in trees, coolers or grills left out, or combustible odorous trash items left in a fire ring to be burned later will attract wildlife. Campground hosts also need to inform campers that failure to properly store all such items can and has resulted in the destruction of offending wildlife and is a violation of Forest Special Order No. 01-457.

Bear, Cougar, and other Predators

Applicants should describe how they will manage for predators. All sites have the potential to be visited by predators. The Arizona Game and Fish Department (928) 367-4281, and the Forest Service must be notified when predators/dangerous animals are observed in or near the developed areas.

Grazing Permittees

National Forest lands adjacent to these recreation sites and facilities area grazed by cattle under Forest Service permits. Fenced pastures usually keep cattle from wandering in the campground area. However, cattle occasionally wander into the campground due to breaks in the fence. The permit holder is expected to work with the grazing permittee to manage the situation in a cooperative and amiable manner maintaining a positive relationship.

Hazard Tree Removal

The permit holder will have to conduct pre-season inspection of the campgrounds to identify existing and potential hazards, including hazard trees. The permit holder also will be responsible for monitoring and identifying hazard trees during the operating season. After securing written approval from the authorized officer, the permit holder’s financial responsibility for removing hazard trees and associated slash will not exceed \$3,000.00 per year. The annual operating plan will address appropriate disposal of hazard trees and slash.

Interpretive Services

Interpretive services enhance a visitor’s recreation experiences and appreciation of natural and cultural resources. Interpreters educate, entertain, exhibit, inform, and communicate with people by provoking thought. Acceptable interpretive services subject include local history, archaeology, natural and cultural resources, wildlife, astrology, etc. Interpretive services can attract visitors to campgrounds and encourage repeat visits. Concessionaires who provide interpretive services may see economic benefits resulting from satisfied customers. Concessionaires may charge for interpretive programs and materials provided directly by concessionaire.

Butane and Propane Installations

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

III. Special Use Permit

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

A. Permit Term

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

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

B. Permit Holder Responsibilities

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

Responsibility for Day-to-Day Activities

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

Permit Holder-Furnished Supplies and Equipment

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

Holder-Furnished Vehicles

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

Holder Maintenance, Reconditioning, or Renovation (MRR)

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

C. Granger-Thye Fee Offset Agreement

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

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

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

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

D. Insurance

Liability Insurance

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$300,000 for injury or death to one person per occurrence; \$300,000 for injury or death to more than one person per occurrence; and \$300,000 for third-party property damage per occurrence, or in the minimum amount of \$300,000 as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (*see* Appendix 10 of the prospectus and FS-2400-4h, clause III.I).

IV. Application

A. Instructions for Submitting Applications

Applicants may submit an application for all or some of the developed recreation sites offered in this prospectus.

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

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

Applications and all supporting documents, including the business plan, must be received by 4:30 p.m. on 05/06/2011. Your completed application should be returned to:

Send (1) copy to:

Gene Blankenbaker
Forest Supervisor, Tonto National Forest
Attention: Greg Schuster
2324 E. McDowell Road
Phoenix, AZ 85541

Send (5) copies to:

Chelsea Muise
Recreation Officer, Payson Ranger District
1009 East Highway 260
Payson AZ 85542

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

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

Corporations also must include:

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

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

Applicants should contact Chelsea Muise at (928) 474-7900 or clmuise@fs.fed.us regarding any questions related to this prospectus.

B. General Terms, Qualifications, and Reservations

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

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

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

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

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

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

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

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

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

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

C. Application Package Requirements

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

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

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

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

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

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

Operating Season

Applicants need to propose the period in which they will operate the sites listed in the prospectus. All sites must be open and operational seven days per week during the minimum operating season, unless a Forest Service closure order is in effect.

Staffing

Applicants must address appropriate staffing to meet customer service and cleanliness standards. The holder will be responsible for furnishing all personnel for the developed recreation sites and for adequately training and supervising their activities under the terms of the permit. The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Based on past experience, recommended staffing is outlined in Appendix 9 of the prospectus. Applicants should address worker hours and schedules. Applicants also should

address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

Supervision and Management

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

Uniforms and Vehicle Identification

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

2. Business Plan, Business Experience, and References

Applicants must submit a business plan utilizing the format in Appendix 16 of the prospectus. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

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

Performance Evaluations

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

References

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

3. Financial Resources

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (*see* Appendix 17 of the prospectus) for certification of the accuracy of the financial statements.

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

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

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

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

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

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (*see* Appendix 18 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to USDA Forest Service, Albuquerque Service Center, Attention: Auditor, ASC-B&F, 101 B Sun Ave NE, Albuquerque, NM 87109.

4. Fees Charged to the Public

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

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

5. Fee to the Government

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is \$18,239.10 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

Minimum Fee Calculation

| Year | Gross Revenue |
|--------------|-----------------------|
| 2008 | \$306,986.25 |
| 2009 | \$380,558.33 |
| 2010 | \$344,857.38 |
| Total | \$1,032,401.96 |

Total gross revenue \div 3 = average gross revenue

$\$1,032,401.96 \div 3 = \$344,133.97$

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

$\$344,133.97 \times 0.053 = \mathbf{\$18,239.10}$

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

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

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

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

6. Application Fee

Cost Recovery

Applications submitted in response to this prospectus are subject to cost recovery pursuant to 36 CFR 251.58(c)(1)(ii) and (c)(3)(iii). Applicants must submit a processing fee of \$200.00 to cover the cost of the prospectus and review of the application. Payments due the United States for this application must be paid in the form of a bank draft, money order, or cashier's check payable to the USDA-Forest Service. Payments will be credited on the date received by the designated Forest Service collection officer or deposit location. Additionally, the selected

applicant will be responsible for the costs of preparing and issuing the permit and conducting a FAD, unless the Forest Service has conducted a FAD for the applicant within the past year. If a FAD has been completed for the applicant within the last 12 months, the applicant will be responsible for the cost of adjusting it to reflect any change this selection will have on the applicant's financial ability.

D. Evaluation of Applications

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

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

1. Proposed annual operating plan (including required and optional services).
2. Business plan, business experience, and references.
3. Customer Service
4. Fees charged to the public.
5. Ability to perform G-T offset projects
6. Fee to the Government.

Evaluation Criteria #1 is the most important of all the evaluation criteria. **Especially important is how the applicant responds to "Other Required Services" and "Other Optional Sites" in the Operating Plan** (see Appendix 9). The remaining criteria (2-6) are listed in descending order of importance. The following are the qualitative factors for each criterion:

BLUE (Exceeds) - The proposal is very comprehensive, in-depth, clear and uniformly outstanding in quality. Consistently high quality performance can be expected. The proposal, as written, exceeds requirements and demonstrates an exceptional understanding of goals and objectives of the acquisition. One or more major strengths exist. No significant weaknesses exist.

GREEN (Acceptable) - The proposal meets all minimum requirements and generally is of high quality. Proposal demonstrates an acceptable understanding of goals and objectives of the acquisition. There may be both strengths and weaknesses, but the strengths outweigh the weaknesses. Deficiencies are minor and easily corrected. Proposal is acceptable as written. Satisfactory performance can be expected.

YELLOW (Marginal) - The proposal fails to meet minimum requirements. Proposal demonstrates a fair understanding of the goals and objectives of the acquisition. Weaknesses outbalance any strengths that exist. Weaknesses will be difficult to correct and would require negotiations.

RED (Unacceptable) - The proposal fails to meet minimum requirements. Proposal fails to meet an understanding of the goals and objectives of the acquisition. The proposal has one or more significant weaknesses that will be very difficult or impossible to correct. Major proposal revision(s) are required for minimum acceptability.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that

have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

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

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

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

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

V. Post-Selection Requirements

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

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

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