

INTRODUCTION TO THE LAKE BERRYESSA CONCESSION PROSPECTUS

The following Lake Berryessa Concession Prospectus (Prospectus) is being issued to solicit proposals from interested parties on the next term of concession contracts for the development, operation and maintenance of visitor services and facilities at Lake Berryessa, Solano Project, Napa County, California (Lake Berryessa). This Prospectus has changed from the previously issued Prospectus to better reflect Reclamation Directives and Standards and authorities. **Offerors are cautioned to not utilize any of the sections or wording from the June 1, 2007 prospectus, but to rely only on the wording and stipulations of this Prospectus.**

The Prospectus outlines business opportunities for six concession areas at Lake Berryessa to be provided by private individuals or companies in compliance with the Reclamation's Record of Decision (ROD) for the Future Recreation Use and Operations of Lake Berryessa dated June 2, 2006. The ROD culminated a long-term visitor services planning (VSP) process that began in June 2000. Concession operations as identified herein will also be in compliance with Reclamation's Concession Policy and Directives and Standards (see PART 6-Exhibit L in this Prospectus) as well as all applicable local, State of California, and Federal laws and regulations. A summary of waivers and exceptions from Reclamation Directives and Standards applicable to this Prospectus is included in Exhibit L.

The concession history at Lake Berryessa since 1959 and the issues that culminated the previous nine (9) years of planning, completion of an Environmental Impact Statement, and the ROD as well as the expiration of the existing six concession contracts at Lake Berryessa (December 1, 2007, through May 26, 2009) make this Prospectus a unique document different in many ways from standard or traditional Prospectuses that Offerors may have previously seen.

Typically throughout the agencies within the Department of the Interior, concession contracts in management areas expire singly, and when the Prospectus for the next contract is issued, interested parties may submit offers in response to the identified business opportunity. On average, the concession operations (services and facilities) being renewed have only a few changes from the expiring contract. In many ways, because of the significant changes mandated by the ROD, the concession opportunities at Lake Berryessa will result in new operations and a different commercial focus to the extent that visitor use patterns and the character of operations will be very different than they have been since the current contracts were authorized in 1958-1962.

This Prospectus differs from typical prospectuses as normally they provide very little flexibility to Offerors in regard to what will be the primary services, facilities and core business offered in a particular location. The Draft Concession Contract presented in most prospectuses is a 99-percent complete document with few options for Offerors to explore. The major reason for this is because few changes are desired or authorized from the business model of the existing contract and the managing agency has already determined most of the terms and conditions desired in a new contract. Offerors are normally able to exercise their creativity and individual approaches within very small parameters outlined in the prospectus, and the managing agency makes a selection of a winning Offeror based upon these often-subtle variances proposed by Offerors in their offers.

At Lake Berryessa, all the facilities and services provided through the seven previous and existing contracts have been re-described, through the identified planning process, in a manner that will result in business models and operations extremely different from the historical Lake Berryessa concession operations. Furthermore, the plan and the associated ROD purposefully described the new operations in a somewhat global approach that provides a very flexible and many-faceted set of business opportunities

for Offerors wishing to compete for a concession contract(s). This Prospectus therefore places a high premium on creativity by the Offerors because there are many options available for them to work within.

The Environmental Impact Statement (EIS)/ROD and this Prospectus do provide parameters of acceptable operations for providing services and facilities to the public at Lake Berryessa but with significant leeway for Offerors to exercise their professional creativity. Reclamation views this approach as a positive opportunity to benefit from the combined knowledge and experience of many Offerors. In this way, Reclamation management will be able to consider varying approaches for the six concession areas.

Reclamation will select successful Offerors based in part upon the proposal(s) that appears to have the most reasonable approach for: (1) serving the public's demand for quality water-based recreation support services and facilities, (2) protecting the environment, (3) responding positively to the 'Principal Factors' and 'Criteria' outlined in PART 5 of the Prospectus, and (4) introducing an integrated business approach as identified in Sec. [III.1.a] of the ROD and in PART 5 of this Prospectus, all while demonstrating a well-developed financial projection for a reasonable profit.

It is important for all Offerors to this Prospectus to realize that when reviewing and evaluating the proposals, Reclamation anticipates there will be significant differences in how various companies/individuals view the future mix of services and facilities at Lake Berryessa. The opportunity for bids to vary greatly in their proposed business models and configuration is an obvious aspect of this flexible competitive Prospectus approach.

Furthermore all Offerors are on notice that Reclamation intends to make any selection of a winning proposal(s) to be conditional pending final negotiations and clarifications of an eventual concession contract, with that Offeror(s), to ultimately reflect facilities and services deemed necessary and appropriate by Reclamation. Although Reclamation welcomes the creative opportunities of the open and flexible nature of this Prospectus, that same openness and limited specificity of the 'Draft Contract' requires this conditional approach to effectively address various proposed components that may be incomplete or otherwise awkward. See Section K.2 of PART 3 of this Prospectus for additional explanation of this conditional selection.

Offerors need to pay very close attention to the directions and options presented in this Prospectus and not assume that Reclamation will consider information or facts not provided in the proposal as apparent or qualifying. Similarly, Reclamation will not give credit for beneficial conditions or experience that exists, even if Reclamation is wholly or partially aware, if it is not otherwise identified in the bid package submitted in response to this Prospectus.

Even if you have submitted proposals and competed for other recent concession opportunities with Reclamation, the NPS, or other agencies, it is critical that you recognize the differences in this Prospectus including but not limited to the following factors:

- **Flexible contract terms and conditions depending upon individual proposals (see PART 4 Subsection M).**
- **Opportunity for Offerors to compete for a single or multiple contracts (see PART 3 Subsection O for more details).**
- **Offerors should assume that any facilities at the sites will be removed for the purposes of developing their proposals, except as noted below.**
- **Offeror may be able to identify the existing facilities they propose to retain and purchase at Markley Cove with Reclamation approval (see PART 3 Subsection L).**
- **The eventual services to the public for individual contracts will be determined based upon the evaluation of the specific bids received (See PART 5 Principal Factor 2).**

- **Level of investment (Concession Contractor Facility Improvement Program, i.e., what will be built new) (PART 6 Exhibit H).**
- **Offerors to propose and justify the franchise fees due the Government though a 1% franchise fee is a minimum (higher percentages will always be considered superior in analyzing similar bids but return to the Government is only one of several determinants)(See PART 5 Principal Factor 5).**

Throughout this Prospectus you will see references to ‘a proposal’, ‘a bid’ or ‘an Offeror’ or ‘an offer’ or ‘an Offeror’ and perhaps some other similar words that describe the individual or company that is submitting a response to the Prospectus. Efforts have been made to use the correct plural tense in recognition of the six different concession opportunities presented by this Prospectus; however, it is likely that because of the frequency of use of these terms and the fact that most Prospectuses are for a single opportunity, the correct tense may not always be present. Offerors should recognize that any reference to a single proposal, bid, Offeror, offer, Offeror, etc. is also applicable in the plural. The eventual number of concession contracts at Lake Berryessa is not now known and will remain unknown until the final selection of the best proposal(s) in response to this Prospectus. It could be as few as one and as many as six.

Offerors will also notice throughout the Prospectus various references to an Offerors ‘unique proposal’ or ‘unique bid.’ This use of the word ‘unique’ is only meant to note that due to the flexible nature of this Prospectus, each individual proposal package is ‘unique’ and perhaps without many similarities to other proposals. The term is not meant to refer in any way to positive aspects of any particular proposal.

PART 1 – SUMMARY OF THE BUSINESS OPPORTUNITY

Reclamation, through this Prospectus, is outlining opportunities for as many as six concession opportunities at Lake Berryessa. This is a unique Prospectus that provides a maximum level of flexibility and operational determination within the framework established by the ROD (Alternative B modified with specific elements of A, C and D with some elements of the RAMP carried forward plus mitigation.) to interested Offerors. As outlined in detail in PART 3 Section K of this Prospectus, Offerors may submit proposals to operate from one to six of these concession areas. Furthermore, Offerors will outline the number and type of specific facilities they intend to develop in providing services to the recreating public. The completed planning effort that culminated in an Environmental Impact Statement (EIS) and Record of Decision (ROD) provides the basic parameters for the new concession operations at Lake Berryessa. The EIS and ROD, plus numerous other helpful documents mentioned throughout this Prospectus, may be viewed by visiting a specially developed Lake Berryessa Prospectus website at <http://www.usbr.gov/mp/berryessa/prospectus.html>.

Business options for the next concession contract term(s) include lodging of various types, food and beverage, launch ramps, marinas (slip rentals, fishing, ski and houseboat rentals), retail sales, campgrounds and RV Parks, day use facilities, etc. Some operations may be seasonal in nature while others may serve year around business demands. There may also be other appropriate facilities and activities that Offerors may suggest as a part of their unique proposals. It is likely that successful Offerors will propose a development program that will require substantial investment on the part of new concession contractors. The term of the concession contract is 30 years. (Please see PART 5 of this Prospectus for detailed information on the proposal evaluation process to be conducted by Reclamation).

Concession operations at Lake Berryessa had been operating in a very similar manner for 45-50 years. Over the past 45 years the concession operations at Lake Berryessa had become financially dependant on the rental of long-term trailer sites. Previously, there were nearly 1600 trailer sites. These sites rented on a monthly basis and the long term trend had been a nearly 100% occupancy rate over the years. Revenue from the trailer sites over the years has accounted for approximately 50% of the overall revenue for concession contractors. The ROD calls for the removal of these trailer installations and does not provide for any long-term private trailer installations in the new contract term(s) as outlined in this Prospectus. Reclamation intends for the next concession contract(s) at Lake Berryessa to become fully dependent upon the provision of facilities and services to traditional short-term users in a manner similar to those seen at hundreds of other Federal (primarily USFS and NPS) areas throughout the country that are open for public recreation use.

Public comment has supported the belief, and Reclamation concurs, that the focus on the long-term trailer installations over the past 45 years created a business model that has resulted in traditional short-term users mostly going elsewhere for their outdoor recreation experiences because they did not perceive the proximity of large permanent trailer installations as conducive to the vacation or recreation experience they desired. This is in spite of the fact that concession contractors did develop short term facilities and made efforts to attract those users and also besides the positive aspect of proximity to large population centers (Sacramento and the San Francisco Bay Area). However, much of the prime shoreline locations in all of the concession areas had been committed to the long-term exclusive use of the permanent trailer villages.

With the change to a business model that is committed to the provision of new facilities and services to the traditional recreating public and the opportunity to develop these operations in attractive areas near the lake shore, Reclamation foresees outstanding untapped commercial opportunities at Lake Berryessa. The environment and scenic vistas surrounding Lake Berryessa provide superior natural surroundings over several other Northern California public recreation areas that conduct financially viable operations. This setting, just a short distance from Napa Valley, in conjunction with the 8-10 million residents within 3 hours drive presents a business potential at Lake Berryessa for the establishment of appropriately designed recreation support facilities and services with outstanding growth potential over the term of the next contract.

Houseboat rentals, RV sites, attractively designed cabin installations, and quality camping opportunities are all areas that are not presently being capitalized upon that should show immediate visitor demand following the re-development focus on traditional short-term use. Current occupancy levels on boat rental slips is already very high and increases and upgrades in those Fixed Assets will also be met with immediate user popularity.

It is apparent that this opportunity at Lake Berryessa will require some timed phasing for new development to realize all of the apparent benefits. Reclamation is prepared to work closely with the eventual new concession contractor(s) in approving and helping to coordinate the re-development of commercial public facilities. This Prospectus will be open for a period of 91-days in recognition of the complexities involved and the potential for individual Offerors to develop multiple or complex single proposals. The Prospectus is large because of the need to address six different concession areas. There are also inherent complexities in this opportunity because of the significant level of flexibility provided for Offerors to create their own unique vision within the framework established by the ROD based upon their background and experience in the Recreation Hospitality Industry, for future commercial facilities and services to serve the public at Lake Berryessa.

At this time the final purchase price for existing Fixed Assets at Markley Cove to be used in the new term is unknown because it will also be a factor of the proposals submitted. Please review PART 3 Section L to understand how individual Offerors may determine in their proposal which Fixed Assets they suggest retaining (if any) and therefore required to purchase. Compensation for those Fixed Assets retained will be based upon the US Government appraisal documents attached to this Prospectus as PART 7.10. Offerors will identify and justify the Franchise Fees they feel is applicable and in line with their proposal (see PART 4 Section P of this Prospectus). The Current concession contractor does not have any preferential rights in regard to consideration for the next contract term nor will new operators have preference for the contract term following this opportunity.

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

PART 4 – THE BUSINESS OPPORTUNITY

A. INTRODUCTION

Reclamation is requesting proposals from interested parties for development, management and operation of six concession areas at Lake Berryessa, Solano Project, Napa County, California. Potential Offerors have multiple options on deciding whether to apply for a single individual concession opportunity or a combination including all six (See PART 3 – Section K for more details).

Lake Berryessa is the operating reservoir for Reclamation's Solano Project. Lake Berryessa is located in northeastern Napa County, among the hilly-to-steep slopes of the California Coast Range. It is a 1½-hour drive from Sacramento, a 2 to 3-hour drive from various locations in the San Francisco Bay metropolitan area, and a 1-hour drive from the town of Napa and the Napa Valley. It is served by State Highways 121 from Napa to the south and 128 from Winters (Sacramento and Interstate 5) to the east. Within this 2½ to 3-hour driving distance there are 8 to 10 million people. Lake Berryessa is the largest freshwater body of water within the proximity to Sacramento and the San Francisco Bay Area.

Lake Berryessa is oriented on the map from northwest to southeast and is 26 miles long by 3 miles wide, with 165 miles of shoreline. There is essentially a west and east shore; all seven of the current concession operations are located on the west shore while the east shore is wholly undeveloped with several large private ranch areas bordering Reclamation lands along the shoreline. The total shoreline of Lake Berryessa is within the ownership of Reclamation. There are a few areas on the west shore with private property development within view of the lake. Please view photos on the Lake Berryessa Prospectus web site at <http://www.usbr.gov/mp/berryessa/Prospectus.html>.

Lake Berryessa and the area surrounding it are physically attractive and provide scenic vistas to users both on the shore and from the lake. With the exception of the concession developments and a few small private housing areas, there is no development that impedes or detracts from the views and the general ambiance of being in a remote recreational area. There is an abundance of wildlife at Lake Berryessa and fishing for trout and bass is considered very good.

Some History – In 1948, construction of Lake Berryessa was authorized as part of Reclamation's Solano Project. The Solano Project was authorized for agricultural water supply, municipal and industrial water supply along with incidental flood control benefits. The primary project facility was Monticello Dam, constructed on Putah Creek in 1957. The seven original concession operations were all authorized to begin operations in 1958 and 1959.

For reference, the following list indicates the expiration date (beginning with the earliest and ending with the latest) of each of the six original concession contracts associated with this Prospectus at Lake Berryessa:

- Rancho Monticello Resort (expired June 15, 2008)
- Spanish Flat Resort (expired July 13, 2008)
- Putah Creek Resort (expired August 13, 2008)
- Berryessa Marina Resort (expired August 13, 2008)
- Steele Park Resort (expires May 26, 2009)
- Markley Cove Resort (expires May 26, 2009)

In the nearly 50 years since the current contracts were established, the concession contractors had focused for the most part on the establishment and management of large, long-term trailer villages. Previously apportioned among six concession areas were over 1,200 trailers. This type of use and these specific installations that provided approximately 50 percent of the total revenue for the previous concession contractors has been terminated and must be removed no later than the last day of the subject concession. The future business models for Lake Berryessa will not include private exclusive use. The elimination of this use type and the availability of acreage within the concession areas that is no longer committed to trailers will make available some of the best shoreline areas (in the areas open for development and assigned for concession use) for new development of short-term commercial recreation and support facilities. New development anticipated as outlined in recent planning documents includes:

- Lodging (i.e., cabins, motels, lodges, cottages)
- Food & Beverage
- Houseboat Rentals
- Small Boat Rentals
- RV Parks
- Camping
- Retail Facilities
- Marina Facilities
- Dry Boat Storage

We recommend visiting the following web site for additional detailed information on the existing and previous facilities including a condition assessment analysis (“Environmental Compliance and Fixed Asset Condition Assessment Report”) <http://www.usbr.gov/mp/berryessa/Prospectus.html>.

Throughout the Prospectus, there are suggestions to review the “Environmental Compliance and Facility Condition Assessment Report” at the Lake Berryessa web site (<http://www.usbr.gov/mp/berryessa/Prospectus.html>). This report was contracted by Reclamation and accomplished as a part of the planning process in advance of a Final EIS and ROD preceding this Prospectus. There is a significant amount of information available in this report regarding the physical condition of the concession facilities that existed at Lake Berryessa. The report was finalized in December 2002, and some conditions have changed at some concession locations. Various improvements or corrections occurred as a result of the report, but many of the situations remain the same. Offerors should use the “Environmental Compliance and Facility Condition Assessment Report” as a reference and investigate through formal questions or on-site observations any particular concerns that would impact their proposal(s).

Please review PART 3 – Section L and Tables 4-1 and Table 4-2 of this PART 4 of the Prospectus for more detailed information on issues concerning existing facilities.

The past concession operations at Lake Berryessa offered a wide variety of public facilities and services servicing a relatively limited clientele. These facilities and services included:

- Lodging (i.e., cabins, motels, cottages)
- Food & Beverage Operations
- Limited Houseboat Rentals

- Small Boat Rentals
- RV Sites
- Campgrounds
- Retail Facilities
- Marina Facilities
- Dry Storage Areas

With the removal of the long-term private trailers, substantial areas primarily in preferred lakeside view locations will be available for concession contractors to utilize and develop for the short-term uses identified above. It is extremely important for Offerors to evaluate the existing conditions at the location(s) they are interested in submitting a proposal(s) upon for the provision of concession contractor services.

Following is a listing of Markley Cove’s existing facilities and services provided. Except for Markley Cove, all other concession areas are to have all Fixed Assets and personal property removed. Please refer to Part 3 section R of this Prospectus for more information on the Markley Cove interim contract. Information on the facilities and services of past concession operations can be viewed by visiting the Lake Berryessa web site at <http://www.usbr.gov/mp/berryessa/Prospectus.html> and reviewing the extensive “Environmental Compliance and Facility Condition Assessment Report, Seven Concession Areas, Lake Berryessa, California” prepared by Kleinfelder. Further detail on each location can also be viewed at the same web site by opening the individual “Concession Rate Packages.” The occupancy percentages indicated in the following list were provided by the individual concession contractors in 2005 as part of the information requested by Reclamation for the Rate Comparability Study. The following is a summary of existing facilities at Markley Cove for use in developing proposals.

Markley Cove Facilities

- Lodging – 4-8 Park Models
- Camping (RV and/or Campground) – None
- Food & Beverage – See Retail Outlet
- Marina
 - Houseboat Rental – None
 - Infrastructure – (See “Environmental Compliance and Facility Condition Assessment Report”)
 - Motor/Ski Boat Rental – A few fishing motorboat rentals
 - Slip Rental – 256 slips for rent with 154 of them covered, 100 percent occupancy, slips/docks are 4 to 10 years old, no utilities available for slips but there is a sewage pumpout station
 - Marine Fuel – Yes
 - Marina Store – Yes
 - Dry Storage – Yes, limited
 - Launch Ramp – Yes
- Retail Outlet – Yes, a store (gifts, snacks, boating supplies)
- Infrastructure – (See “Environmental Compliance and Facility Condition Assessment Report”)
 - Water – Provide own from Lake.
 - Sewer – Ponds on the hill and pump station
 - Electricity – Commercial
 - Parking – There is a small/medium sized at the boat ramp
 - Roadways – Few roads, mostly to serve trailer area once beyond marina

Footprint available from departing private trailers – Markley Cove had a small number of trailers (49) in comparison to most of the other concession operations. The area that was devoted to trailers is very steep but with good views of the cove.

General information applicable to future use – Markley Cove is the smallest concession operation on Lake Berryessa. Because of the topography, it has limited opportunity for additional development beyond the store and marina operations.

Please visit the following website <http://www.usbr.gov/mp/berryessa/Prospectus.html> and under the heading for MAPS find the maps that correspond to Markley Cove. These maps present how the current concession operation is situated.

As identified earlier and mentioned in the preceding concession area synopses, it is important for prospective Offerors to review the applicable sections of the “Environmental Compliance and Facility Condition Assessment Report” for more detailed information on any existing concession facilities and the general condition noted at the time of that report.

Reclamation also intends to begin a major effort at improving government support facilities at Lake Berryessa including a more extensive trail system to eventually encircle the lake, including sections that pass through each concession area.

Businesses nearby on the access routes to Lake Berryessa tend to appear not very financially healthy, with the exception of storage yards and dry storage for boats and trailers. Several businesses have been shut down for years.

Reclamation strongly believes that the business malaise that exists both adjacent to and within many of the existing short-term facilities at Lake Berryessa is a symptom of facilities poorly maintained and the associated affiliation with the large, exclusive-use, long-term trailer installations as a business anchor. A large percentage of the traditional recreating public does not even visit Lake Berryessa because of the general lack of physical appeal of dated facilities and the fact that the trailer villages were sited on the prime lakeshore locations in nearly every existing concession area.

With new, better-sited facilities and business models that focus on the short-term user, the visitor profile will change significantly and be more representative of those Bay Area, Sacramento, and Northern California users who are already using numerous other reservoir areas around the north State located a significantly greater distance from population centers. Given the often-superior natural beauty and lake vistas in combination with new and improved facilities, Lake Berryessa should draw hundreds of thousands of new visitors and compete very successfully with areas such as New Melones, Don Pedro, the Sacramento/San Joaquin Delta, Shasta Lake, Trinity Lake, Lake Oroville, and others that are currently financially successful and draw heavily from populations much nearer and more convenient to Lake Berryessa. Proximity to Napa Valley attractions also provides a potential nexus that will eventually benefit new business models at Lake Berryessa.

B. No CONTRACTUAL RIGHT OF RENEWAL PREFERENCE

The concession contractors that either had or currently have contracts at Lake Berryessa will not be given any preferences in regard to award of this contract or renewal of future contracts. Concession contractors of record who wish to be considered for new contracts must compete on an equal basis with all other parties submitting proposals.

C. FUTURE FACILITIES

This section of PART 4 would normally describe the planned new or continuing concession facilities and any changes in those facilities that will either be required or allowed in the future. This section would also include a brief description of the facilities the new concession contractor will be responsible for maintaining and constructing. However, as outlined in the “Introduction to the Lake Berryessa Concession Prospectus” and in other areas of the Prospectus package, this opportunity is providing extremely flexible opportunities for Offerors to identify their own business models (within certain parameters); therefore the Prospectus is not identifying exact facilities to be retained or rehabilitated or new facilities to be built (see Sections L and N of PART 3 for more detailed direction).

Table 4-1 summarizes the minimum Base Services that Reclamation deems appropriate at each concession area. Table 4-2 summarizes the additional facilities and services identified in the FEIS and ROD to further promote year-round visitation. Cumulatively, these facilities and services are intended to assist in portraying an acceptable business mix for Lake Berryessa concession operations. Offerors that are submitting a proposal for multiple sites are encouraged to apply their knowledge and experience to expand, modify or exchange the types and level of services within each concession area to best meet Reclamation’s overall objective of expanding recreation management at Lake Berryessa to better serve the visiting public.

Offerors should assure that their planned facilities and services are compatible with the general direction provided in the Record of Decision as follows:

Provide outdoor recreation facilities and services for the visiting public...which will accommodate a variety of aquatic-related recreation experience opportunities to the extent and quality that such combination will protect the aesthetic and recreational values and assure optimum short-term recreational use and enjoyment and social benefit.

TABLE 4-1 – Lake Berryessa Base Services (minimum)

Facilities and Services	Markley Cove	Steele Park	Spanish Flat	Lake Berryessa Marina	Rancho Monticello	Putah Creek	Lake-Wide Totals*
Boat Launch, Restroom and Parking	1	1	1	1	1	1	7
Pleasure Boat Slip Rentals (each)	220	50	50	50	50	50	670
Private House Boat Slip Rentals (each)	30	0	0	0	0	0	75
Commercial House Boat Rentals (each)	0	0	0	0	0	0	75
Dry Boat Storage (units)	0	50	0	0	50	50	150
Marine Fuel (dock with 2 dispensers)	1	1	1	1	1	1	7
Fish Clean Station (each)	1	1	1	1	1	1	7
Day Use Areas (sites)	0	1	1	1	1	1	5
Retail Sales (each)	1	1	1	1	1	1	7
Camping Sites (each)	0	0	50	50	50	50	320
RV Sites (each)	0	40	10	10	20	50	155
Comfort Station (each)	0	2	2	2	2	2	12

* includes services and facilities provided at Pleasure Cove

TABLE 4-2 – Lake Berryessa Additional Services (minimum)

Facilities and Services	Markley Cove	Steele Park	Spanish Flat	Lake Berryessa Marina	Rancho Monticello	Putah Creek	Lake-Wide Totals*
Food/Beverage (each)	1	1	1	1	1	1	7
Park Models (units)	5	10	3	3	10	3	47
Cabins (each)	0	10	3	3	10	3	42
Motels (each)	0	0-1	0-1	0-1	0-1	0-1	0-5
Lodges/Conference Facility (each)	0	0-1	0-1	0-1	0-1	0-1	0-5

*includes services and facilities provided at Pleasure Cove

Note: It is important to have a thorough understanding of the existing facilities at Markley Cove and their physical condition to assist in the development of proposals that include the retention of any facilities (See the “Environmental Compliance and Facility Condition Assessment Report” on the Lake Berryessa web site identified earlier).

Maximum Level of Services

The Offerors are encouraged to develop a proposal that provides more than the minimum Base and Additional Services. The criteria and guidance Offerors should utilize when developing their proposal to provide maximum level of services are described in the following paragraphs.

Maximum (watercraft) - The current boating capacity as reference in the ROD is 3,000 boats. Reclamation will consider distribution throughout all sectors of the lake and other lake-wide needs when evaluating proposals. Reclamation will further evaluate proposals to ensure adequate associated parking, number of boat launching lanes and other infrastructure as well as site conditions adequately support the number of boat slips. The lake currently has a limit of 150 house boats (75 private and 75 commercial rentals). Currently Pleasure Cove is permitted for 30 private house boat slips and 6 commercial house

boat slips of the 150 total available. At some point in the future Reclamation will conduct a Houseboat Capacity Study that may result in a different mix of private and commercial use and a greater or lesser total. When and if houseboat numbers and the private/commercial mix is re-determined, adjustments will be made if necessary and this possibility will be specified in the contracts of operators with houseboat operations.

Maximum (tent camping, RV sites) - The maximum number of campsites and RV sites Offerors may propose for each location may be determined by review and application of the Recreation Facilities Design Guidelines (RFDG) found at <http://www.usbr.gov/mp/berryessa/Prospectus.html>. These guidelines use standards adopted Reclamation-wide to determine acceptable spatial layout and organization.

Maximum (cabins, park models). The maximum number of cabins and park model units is constrained by the requirement that these units along with access roads and other supporting infrastructure be located above specific elevations. Please note: annual occupancy of cabins and park model is further limited to elevations required for various facilities.

D. CONCESSION FACILITIES IMPROVEMENT PROGRAM

Again, as previously outlined, with the flexibility inherent in this contract, Reclamation is not specifying a building program; however, 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(s) are determined for the six concession opportunities, 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 proposed in their proposal, and 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.

E. FUTURE SERVICES AND FACILITY AMBIANCE

Future services are those proposed or necessary to operate the indicated visitor facilities at each concession location. Services will be provided, based upon the successful proposals, to the general public for the likely operation of campgrounds, RV parks, marinas, retail and food & beverage sales, and any other active commercial programs. Efforts to improve the quality of service beyond the existing levels are also an expected part of any likely winning proposals. 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 and finish.

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

- Lodging (Cabins) – Cabin installations will include appropriate pastoral landscaping for the Lake Berryessa area; parking areas that do not detract from the experience or the cabin surroundings; separation between other structures 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 in the woods.' Employees will be trained to recognize the expectations of guests in cabin facilities and project an attitude compatible with those expectations.

- Lodging (Motel) – The motel installation proposed is designed to have architectural components that separate it from typical commuter motels in normal developed commercial areas. The interior layout, furniture, and amenity packages will also re-enforce the area’s theme and portray a relaxing but functional ambiance. Placement of parking, maintenance, and utility areas will be considered to assure that customers with rooms on the side opposite the lake will have a pleasing, non-industrial-type view. Employees will be trained to recognize the expectations of guests in the overnight facilities and project an attitude compatible with those expectations.
- Food & Beverage (Full Service Restaurant) – 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 that feature ‘California Cuisine’ adapted for the likely recreational clientele at Lake Berryessa. 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 of the docks. Wastewater pump-out facilities will be available at no charge at a public-use dock facility. 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, or walker. 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 – Similar descriptive wording to the preceding samples. Exact services and level of ambiance will be determined as identified elsewhere through the proposal process.

Offerors do not have to consider all business activities as necessary for operation. Suggested seasonal or limited services for certain times of the year will not be considered as a less-desirable proposal but a reasonable identification of less or no demand at certain times of the year for particular services. 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 and be consistent with Reclamation objectives, resource preservation and protection standards, and safe use of the Lake Berryessa resources are permitted and encouraged. Boating safety, fishing contests, history and cultural programs (Native Americans, pioneers, wine industry, etc), and similar interpretive presentations are examples of activities that would be appropriate for Lake Berryessa.

F. BASIC FINANCIAL INFORMATION

Because of the nature of this Prospectus and eventual contracts outlined in the Introduction and the other sections of the Prospectus, Reclamation is not providing any gross revenue projections as is normally the approach. In typical Prospectus opportunities, the entire business model is essentially complete and identified in the Draft Contract and other Prospectus sections. The many possible variations and combinations of business activities fostered by the approach in this Prospectus preclude Reclamation from providing any meaningful financial Pro Formas. As part of the planning process, Reclamation did complete an economic feasibility analysis for one scenario that demonstrated a satisfactory opportunity for financial success. As a part of the analysis and evaluation of proposals, Reclamation will have a ‘subject matter expert’ as part of the team who is qualified and has experience in reviewing economic feasibility within the Hospitality and Commercial Recreation industries. Offerors should understand that proposals evaluated and found to have financially unreasonable projections may be determined to be non-responsive. Reclamation strongly believes that upgrades of existing facilities and development of new facilities serving the visiting public will result in a significant increase in use and associated revenue at Lake Berryessa. Future business growth at Lake Berryessa is especially likely when potential Offerors consider the choice location and natural beauty in relation to the geographic population centers of Northern California.

Offerors proposal should demonstrate a complete recovery of investment with profit during the term of this contract. This is important because there is no assurance that the concession operation will continue after the expiration of the contract. Proposals will be evaluated in part based on how the Offerors present the cost recovery and profit.

G. ENVIRONMENTAL MANAGEMENT

The new concession contractor(s) will develop, document, implement, and comply fully with a comprehensive written Environmental Management Program (EMP) to achieve the environmental management objectives as per the concession contract Section 3. The proposed EMP will become final once the submitted plan from a successful Offeror is approved by Reclamation. The EMP will be updated and submitted for approval annually. The draft EMP submitted by Offerors will be a part of the proposal evaluation criteria outlined fully in PART 5 of this Prospectus.

In evaluating the existing conditions that may impact Offerors in regard to this section, it would be advisable to again review the “Environmental Compliance and Facility Condition Assessment Report” on the Lake Berryessa Prospectus web site.

H. RISK MANAGEMENT PROGRAM (SAFETY)

The new concession contractor(s) shall be required to provide a safe and healthful environment for all employees and visitors. The concession contractor must meet the risk management performance standards as described in the concession contract (Section 3.O) and develop a Risk Management Program in accordance with these standards. One requirement of the performance standards is that the concession contractor performs annual or as necessary self-inspections to ensure compliance with all applicable health and safety regulations and standards. The concession contractor must also provide appropriate training for employees and staff as set forth in the risk management plan.

I. MAINTENANCE

The new concession contractor(s) will be assigned lands that are necessary for the concession operation. These lands and facilities must be maintained in a manner acceptable to Reclamation. The new concession contract(s) will specify the concession contractor responsibilities for maintenance, repairs, housekeeping, and grounds keeping of all concession facilities and lands assigned. The standards and 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. In the proposal, the Offeror(s) must submit clarifications and additions to the Draft Maintenance Plan that are consistent with their specific proposal in this flexible Prospectus and in general compliance with 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(s) are identified. The response to the maintenance needs inherent in the concession operation(s) and the identified documents will be a part of the proposal evaluation criteria outlined in PART 5 of this Prospectus.

J. OPERATING PLAN

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 on one or more locations at Lake Berryessa. The Draft Operating Plan (PART 6 – Exhibit G) presented in this Prospectus should serve as a template for preparing the actual proposed plan. The ‘template’ provides applicable standards of operation for various departments, i.e., lodging, marinas, food & beverage, retail, etc. that should apply to the specific plans to be proposed by individual Offerors.

K. 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. This is another area of the Prospectus that is impacted by the flexible proposal approach identified throughout the Prospectus. Reclamation believes strongly that a contract instrument that accomplishes or assures the goals of the described RAFI is necessary, and it is unlikely that any Offeror will be successful without proposing such an approach or some type of meaningful substitute; however, since the exact type of an eventual required Capital Improvement Program is to be determined by the proposals received in response to this Prospectus, Reclamation will consider proposals for other instruments or approaches that similarly assure the long-term financial support for necessary major repairs and specially approved maintenance projects. 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 monthly or annual deposits. It would be preferable to specify such improvements in a capital improvement program prepared as part of the Offeror’s feasibility study before issuing the concession contract. However, if a specific capital improvement plan is not prepared in advance of entering into the concession contract, Concession Capital Improvements will be specified during the term of the concession contract, for which funds will be drawn from the RAFI. 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 if the RAFI does not provide adequate funding and its housekeeping and ground-keeping responsibilities (see the description of RAFI in PART 6 Exhibit K of this Prospectus).

L. SUPPLEMENTAL SURCHARGE

Reference PART 3, Section O, Reclamation anticipates that during the term of this concession contract, the Concession Contractor will find it necessary to pay additional costs for ongoing and additional services to be provided or required by Napa County and/or other state or local government entity or agency that are necessitated by the use, rights and privileges granted under this concession contract, which are not presently identifiable, and the Concession Contractor agrees to pay such costs deemed appropriate and approved by Reclamation. Such fees, charges, and assessments, (“charges”) and required actions may include, but are not limited to, charges for the installation, modification, and or expansion of water and sewer systems, emergency and fire services, law enforcement services, road improvements, environmental and water quality compliance actions, and other activities.

Reclamation has determined that such costs are a necessary expense of this concession contract and as such, the Concession Contractor shall collect additional revenues during the term of this concession contract to offset such costs. The Concession Contractor will begin to collect a supplemental 5% surcharge within 90 days of the effective date of this concession contract, on all goods it sells (excluding gasoline and diesel fuel) and on all services it provides for which it is not required to pay a Transient Occupancy Tax as defined by applicable county ordinance.

The Concession Contractor shall deposit all supplemental surcharge funds it collects in a separate, interest bearing, federally insured, Supplemental Surcharge Account (Account) as part of its gross revenue to be maintained by the Concession Contractor. Surcharge funds will not be commingled with other accounts established under this concession contract or with any other Concession Contractor funds. The Concession Contractor will directly pay the applicable government entity or agency for any services provided to or charges or required actions levied on the Concession Contractor deemed appropriate and approved by Reclamation in consultation with the authorized government or agency representative.

The amount of the supplemental surcharge shall be reviewed every 3 years to determine whether it should be increased or decreased to enable the Concession Contractor to collect the appropriate amount of funds needed to pay for the services or charges or required actions as defined above. At each 3-year review, the Concession Contractor shall provide a 3-year projection for all sales for which the surcharge applies, and any known or proposed required payments for charges and ongoing and additional services or required actions. The Concession Contractor will propose to Reclamation for approval the appropriate rate for the surcharge necessary to cover such expenses. After the 3-year review, any funds over \$50,000 left in the account in excess of known or expected services or charges or required actions shall be deposited in the RAFI account established in section 4.I. and treated as RAFI funds until expended unless such funds are

otherwise needed for outstanding or anticipated payments for charges and other required services or actions.

Any supplemental surcharge funds not duly expended by the Concession Contractor by the end of this concession contract shall be the property of the Concession Contractor unless there are approved or otherwise required charges, services, or actions previously identified for payment in advance of contract expiration that have not been paid. If the Concession Contractor is also the succeeding Concession Contractor then the surcharge funds that are unexpended during the term of this concession contract will apply to the initial surcharge funding established in the next contract less the estimated costs of any required payments.

In the event of termination or expiration of this concession contract, any unexpended surcharge funds shall be deposited into the RAFI account.

The financial reporting for the Account will be performed in accordance with Section 8 and Exhibit J of this concession contract.

M. UTILITIES

Reclamation will not be providing any utilities to the concession operations at Lake Berryessa. The existing and past operations have obtained their utilities as follows:

LAKE BERRYESSA UTILITIES

Markley Cove

Potable Water	Operate own water system
Sewer	Operate own sewage treatment system/pond
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage

Steele Park

Potable Water	Napa Berryessa Resort Improvement District
Sewer	Napa Berryessa Resort Improvement District
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage

Spanish Flat

Potable Water	Spanish Flat Water District
Sewer	Operate own sewage treatment system/pond
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage

Lake Berryessa Marina

Potable Water	Operate own water system
Sewer	Operate own sewage treatment system/pond
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage

Rancho Monticello

Potable Water	Operate own water system
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Sewer	Operate own sewage treatment system/pond
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage for household garbage

Putah Creek Resort

Potable Water	Operate own water system
Sewer	Operate own sewage treatment system/pond
Electricity	Commercial – PG&E
Garbage	Commercial pick up – Berryessa Garbage

All the potable water is pumped from the lake and treated.

All Offerors should review the “Environmental Compliance and Facility Condition Assessment Report” as it applies to Markley Cove and consult with applicable regulatory agencies. It is especially important that Offerors consider their planned approach for delivering potable water and handling sewage. Reclamation strongly encourages that Offerors consult with Napa County Department of Environmental Management, and the Central Valley Regional Water Quality Control Board about acquiring permits to operate water and wastewater systems.

Since new facilities are necessary in several concession areas, Offerors should consider the applicability of (1) combining systems for multiple operations or (2) if a single Offeror is selected, to operate multiple locations the development of a multi-location water or wastewater system(s). In some cases, new discharge permits may take up to 2 years to obtain. The Offerors address of water and waste water issues will be one of the factors closely reviewed in the proposal evaluation process by Reclamation.

N. Underground Storage Tanks

Putah Creek, Rancho Monticello and Steele Park are currently being monitoring an/or mitigated for past violations regarding underground storage tanks. Reclamation does not have any knowledge of any remaining underground tanks. New development in the immediate mitigation area may not be possible until complete remediation has been accomplished. Exact impacted areas will be identified during the site visits.

O. LENGTH OF TERM AND EFFECTIVE DATE OF NEW CONCESSION CONTRACT

The length of term of any contract outlined in this Prospectus is 30 years. Reclamation will have the option to consider one additional ten year option period dependant upon various parameters, including but not limited to: the useful life and condition of the Concession Contractor Improvements, compliance with contract terms, recreational demands and Solano Project operations constraints and/or modifications.

The effective dates for a new contract(s) may also vary and will initially be a factor of the expiration date of the existing concession operations bid upon. Ideally, if a contract is expiring on the 15th of a particular month, the new contract will begin on the 16th of the same month; however, the overall complexity of this Prospectus and the potential for a single Offeror to successfully compete for more than one operation may lead to adjusted dates following final negotiations and combined contracts.

P. 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 of 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.

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 that can be bid in response to this Prospectus is one percent (1%) of gross. 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. Offerors will be evaluated in comparison to one another and in relation to the minimum acceptable franchise fee of 1% 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 is 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% 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 or even 1% if properly supported. A tiered approach may provide concession contractors 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 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(s). 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-formas 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.

Q. 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.

R. POTENTIAL CONTRACT ADJUSTMENT

Although it should be assumed that the site will be ready for immediate development, there may be a need to consider previous Concession Contractor's non-compliance, unforeseen expense or loss of revenue to the successful Offeror as a result of additional site preparation at the time of contract award not reflected in the Offeror's pro-forma. Reclamation may consider an adjustment to contract terms that properly recognize and consider those additional expenses or loss of revenue. Availability of individual concession areas in relation to proposed development plans will be addressed during contract negotiations with successful bidders.

S. RELEVANT RECLAMATION CONCESSION POLICY AND DIRECTIVES AND STANDARDS

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

T. SITE VISITS

Informational briefings and site visits will be held according to the following schedule:

June 3, 2009

10:00 a.m. – Introduction to visits of the day and ground rules (Lake Berryessa HQ)
Putah Creek Tour
Rancho Monticello Tour
Lake Berryessa Marina Tour
Spanish Flat Tour
Questions/Answers re: Prospectus and Tours (Spanish Flat)

June 4, 2009

10:00 a.m. – Introduction to visits of the day and ground rules (Lake Berryessa HQ)
Steele Park Tour
Markley Cove Tour
Questions/Answers re: Prospectus and Tours (Markley Cove)

June 5, 2009

10:00 a.m. – Introduction to visits of the day and ground rules (Lake Berryessa HQ)
Pick up tours
Questions/Answers re: Prospectus and Tours (HQ)

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

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 some questions during the tours if it seems that the question and the answer cannot be appropriately captured. Similarly, questions will not generally 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 asker 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 June 29, 2009 at the Lake Berryessa Reclamation Office.

The easiest way to avoid any potential problem is to put all information and answers to any question in writing, making sure this information is received by all Offerors.

PART 2 - AN OVERVIEW OF THE BUREAU OF RECLAMATION AND CONCESSIONS MANAGEMENT BY THE AGENCY

TABLE OF CONTENTS

	<i>Page</i>
Section 1 - An Overview of the Bureau of Reclamation	
A. Introduction	2 - 1
B. Mission Statement	2 - 2
C. Vision Statement	2 - 2
D. Recreation.....	2 - 2
Section 2 - Concessions Management in Reclamation	
A. Concession Contract Management	2 - 2
B. Applicable Authorities and Guidelines	2 - 2
C. Concession Program Management	2 - 3
D. Program Management - Operating Programs and Practices.....	2 - 3
E. Resource Protection Considerations	2 - 3
F. Construction	2 - 4
G. Interpretation	2 - 4
H. Rates	2 - 5
I. Equal Opportunity	2 - 5
J. Fixed Assets and Reclamation Accessibility	2 - 5
K. Utilities	2 - 5
L. Maintenance Plan	2 - 5
M. The Operating Plan	2 - 6
N. Sale of Souvenirs and Handicrafts	2 - 6
O. Insurance	2 - 6
P. Preference in the Award of a New Contract	2 - 6
Q. Subconcessionaires	2 - 6
R. Compliance with Federal, State, and Local Laws	2 - 7
S. Concession Contractor Risk Management Program	2 - 7
T. Program Management - Financial Programs and Practices.....	2 - 7
U. Concession Contractor Pays Operating Costs	2 - 7
V. Personal Property Belongs to the Concession Contractor.....	2 - 7
W. Concession Contracts May Not Be Sold Without Approval	2 - 7
X. No Guarantee of Profit.....	2 - 7
Y. Concession Contractor Review Program.....	2 - 7

AN OVERVIEW OF THE BUREAU OF RECLAMATION

A. Introduction

Reclamation was established by an act of Congress in 1902 (The Reclamation Act). Reclamation is best known for the dams, powerplants, 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 Monticello Dam on Putah Creek (Lake Berryessa), Hoover Dam on the Colorado River (Lake Mead), and Grand Coulee on the Columbia River (Lake Roosevelt).

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 NPS, among others, Interior manages much of the federally held public lands and natural and cultural resources 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 sites.

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.

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 powerplants 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 is comprised of five Regions encompassing the 17 Western States, the Office of the Commissioner in Washington, D.C., and the Reclamation Services Center in Denver, Colorado. Each Region is comprised of Area Offices which 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. Central California Area Office (CCAO) encompasses a 12-county area within northern and central California. Primary responsibilities include the Solano Project which includes Lake Berryessa, the Central Valley Project (CVP) American River Division, the CVP Auburn-Folsom South Unit and the CVP East Side Division. CCAO manages the largest recreation program of any area office in Reclamation with operations at Lake Berryessa, New Melones Lake, Folsom Lake State Recreation Area and the Auburn State Recreation Area.

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 more than 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 NPS, 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, Trout Unlimited, 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 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. Fishing and boating are the most popular recreational activities at Reclamation reservoirs.

Concessions Management in Reclamation

A. Concession Contract Management

The Secretary and the Secretary's authorized representatives have statutory authority to enter into concession contracts for recreation development and delivery of 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 concessions operating on Reclamation-administered land 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.

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 CCAO is responsible for oversight of this concession opportunity and will administer all concession contracts awarded for Lake Berryessa. Day-to-day administration will be through the CCAO Lake Berryessa Recreation Resource Office located at 5520 Knoxville Road, Napa, California. Policy direction is provided by the Area Manager, CCAO. Additional support to the CCAO concession program is available as necessary or appropriate from the MP Region.

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 incorporate those objectives for visitor service and other matters into its own objectives.

Concession contractors and their staff are important members of the community. The visiting public has continuous contact with, and receives significant 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 issue as well as 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 tanks for building and vehicle fuels, whether Government- or concession contractor-owned, must meet all of the requirements of Federal, State, and local laws and regulations. Responsibilities include 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 to such changes when they are proven to be reliable and effective. The use of electric vehicles is encouraged when possible.
5. Operations may be conducted in a natural area with a variety of wildlife. Concession contractors must conduct their operations under Reclamation's direction for mitigating human-wildlife interactions.
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 officials 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).

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, and to also encourage others to do so, for the same cost-effective and self-protective reasons.

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.

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 within the Reclamation system.

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 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 must comply with the most current version of all applicable accessibility laws, rules, regulations, Executive Orders, and Reclamation policies including but not limited to Title V, Section 504, of the Rehabilitation Act of 1973, as amended in 1978. No person with a disability shall, because a Concession Contractor's facilities are inaccessible to or unusable by persons with disabilities, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program, service, or activity provided by the Concession Contractor.

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 the Secretary.

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 area level and signed by the Contracting Officer or delegate. Such plans may not alter 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.

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 such issues as 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 alter provisions in the body of the contract document or Reclamation policy.

The proposed Operating Plan from offerors will be utilized as the basis for final approved Operating Plan once the Concession Contract is executed.

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, or interpretive of, 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 new Preferential Right of Renewal will be awarded in this contract or in the future.

Q. SUB-CONCESSIONAIRES

Reclamation will not allow the concession contractor to subcontract the provision of concession services that are authorized under this 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 may 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 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 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. 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.

V. PERSONAL PROPERTY BELONGS TO THE CONCESSION CONTRACTOR

Concession contractors, not the Government, are the owners of most types of personal property. Personal property is defined as all moveable equipment, park models, inventory, etc. including vehicles. The Government will not require a succeeding concession contractor to purchase such personal property. Government personal 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 written 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 Operating Plan.
2. Compliance with the Maintenance Plan.
3. The quality of the service rendered to the public.
4. The prices that are charged the public.
5. The condition of the premises.
6. The appearance and conduct of employees.
7. The degree to which facilities are properly maintained and repaired as required by the particular concession authorization.
8. The nondiscrimination policies of the concession contractor with relation to both employment and service to the public.
9. Compliance with the Risk Management Program.
10. Compliance with the Environmental Management Program.
11. Compliance with the RAFI.
12. Compliance with U.S. Public Health Service standards and requirements and State and local health codes that may be applicable.
13. Compliance with practices that foster a safe environment for the public.
14. 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 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 5 – ADMINISTRATIVE DOCUMENTATION AND PROSPECTUS OVERVIEW

**DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
Mid-Pacific Region**

PROPOSAL TO OPERATE
Water Based Recreation Support and Associated
Hospitality Services and Facilities
Within the Concession Areas at Lake Berryessa

Date: **May 15, 2009**

DUE DATE: All submittals and any modifications must be received at the following address:

**Bureau of Reclamation
Central California Area Office
7794 Folsom Dam Road
Folsom, CA 95630-1799
916-989-7211**

Federal Express Address: Same as Above

Official Contact Person: Mr Drew Lessard
Telephone: 916-989-7180

No Later Than: **August 14, 2009 at 2:00 p.m.**

PROPOSAL FOR CONCESSION OPERATION

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

Re: Proposal Submittal on Lake Berryessa Concession Opportunity

Dear **Mr. Glaser**:

(I)(We) hereby offer to provide visitor services and facilities at Lake Berryessa in accordance with the opportunity presented in the Prospectus issued by the Bureau of Reclamation on May 11, 2009.

This proposal applies to **(my)(our)** interest in operating the concession area(s) known as **[in this location identify the specific operation or operations that this proposal applies to, i.e., Rancho Monticello only, or Rancho Monticello and Lake Berryessa Marina combined, etc. You may list up to six areas if you wish to have this proposal considered ONLY as a combined approach. If you wish to be considered for several different locations but not reviewed as a combined approach, then you need to submit individual proposals for each location].**

(I)(We) realize this is a unique concession Prospectus with six individual concession opportunities being offered. (I)(We) have reviewed Section K of PART 3 in the Prospectus and further realize that Offerors may make proposals for multiple individual concession operations or proposals for a combined group of concession operations or any mixture of the two. (I)(We) further realize that if any Offerors are selected as the successful Offeror on more than one individual location that Reclamation intends to combine those locations into a single concession contract.

As identified and requested in various sections of the Prospectus, this proposal identifies the number and type of facilities (**i.e., cabins, RV park, camping, marina, etc.**) (I)(We) intend to operate. Also identified is the proposed plan for upgrading current facilities **[if any]** and the associated development of new facilities **[if any]** to accomplish all aspects of the proposal. Furthermore, this proposal outlines **(my)(our)** qualifications and experience for developing and managing the proposed business. This proposal identifies the financial support for accomplishing the project and the financial projections of the business anticipated. The proposal also provides other requested support plans and documents.

(I)(We) are enclosing the required APROPOSAL@ 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 a 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 him or her 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.

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:

1. To the minimum requirements of the Prospectus as identified in this proposal.
2. To complete the execution of the final concession contract within 60 working days after it is presented by Reclamation.
3. 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 determined at the time of selection of a successful Offeror based upon the unique proposal and the possibility of combining operations as determined by Reclamation.
4. The value of any fixed asset at Markley Cove, to be used in the next contract, will be determined by the US Government appraisal. The appraisal determined by the US Government is final and may not be appealed.
5. To accept the amount paid to purchase applicable fixed assets held under any of the existing concession contracts as the US Government appraised value under the terms of the new concession contract.

By: _____

Date: _____
Type or print name and date.

Title: _____

Address: _____

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. All corporate members are listed in PART 5, Part B3(a)8 of this Prospectus and are in good standing as described in PART 3, Section J.22.(b)

By: _____

Date: _____
Type or print name and date.

Title: _____

Address: _____

DETAILED DISCUSSION AND DESCRIPTION OF THE PROPOSED CONCESSION FACILITIES AND SERVICES

In line with the identified flexibility (Introduction to Prospectus, PART 3, and PART 4) of this concession opportunity, there is the inherent obligation on all Offerors to be thorough and complete in the description of all aspects of the proposed facilities and services being introduced in your response to this Prospectus.

Unlike the normal concessions Prospectus situation where a nearly complete listing of required services and facilities are stipulated in the Prospectus and associated Draft Contract, this opportunity provides the basic objective, general principles and framework for concession operations identified in the ROD, specifically Alternative B modified with elements of Alternatives A, C and D plus mitigation. Your proposal will define your view for proposed development of the operations and facilities within those parameters. If you do not fully outline your proposal including location, numbers, and general architectural and thematic design, the rating panel will not make assumptions as to your intent.

Estimates within a certain spectrum are acceptable, i.e., we intend to build 35-45 rental cabins, there will be 60-75 RV sites with full hook-ups, 20-30 houseboats for rent depending upon eventual demand, 250-300 rental slips available, etc., and such estimates will not be devalued because they are not absolute. However, estimates that leave too much flexibility and interpretation for later decision, i.e., either 80 RV sites or 30 cabins in this area, rental slips may either be covered or uncovered, depending upon available funds, etc., are examples of estimates that will not compete well with Offerors that are more definitive.

Similarly, an Offeror that provides a meaningful description of design concepts, level of amenities, and expected building phases will be more competitive than a proposal that does not address these issues or does so in a less-than-definitive manner. Conceptual drawings and artistic renderings of the relationship between buildings and associated landscaping that provide a relationship of how facilities are laid out in relation to the lake and each other are also approaches that will be an asset in comparing various proposals.

As outlined in the Part B “Principle Factors” and the associated “Criteria” (B.2.d) of this PART 5, Offerors also need to attempt to address how their proposal relates to the overall lake-wide integration of concession facilities as discussed in the ROD as follows:

“Sec. III.1.a – Integration – To the extent practicable, Government and commercial operations at Lake Berryessa will be developed, implemented, and managed on an integrated, lake-wide basis to (1) provide the widest practical spectrum of recreation experience for the visiting public, ...”

Each individual proposal needs to be very clear in regard to which existing locations are being addressed, especially if there is multiple concession locations covered. There also needs to be specific address of any facilities that are being proposed for ‘Annual Occupancy’ as described in the ROD in Sec. III.4.c and in Criterion B.2.d in this PART 5.

PART A

The minimum requirements for the new concession contract are identified in this Part A of the Prospectus. Unless the Offeror in his or her proposal 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 Offeror 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, and Reclamation Manual Policy and Directives and Standards.

(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 basic 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. These rates are subject to approval by Reclamation.

(I)(We) agree to accept the concession facilities (if any) and any Government facilities or personal property assigned to the concession as required by the concession contract, “as is.”

(I)(We) agree to carry out the Concession Facilities Improvement Program identified in our proposal according to the stipulations outlined in the Prospectus and transferred to an eventual final 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) or a substitute program accepted by Reclamation that will provide the same assurances for major maintenance described in the Prospectus and that will ultimately become a condition of the concession contract if the proposal is successful and in exhibit K as it now exists, including but not limited to, (1) 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 (2) Assuming the administrative responsibilities of the account.

(I)(We) agree to establish an account for, and collect, a Supplemental Surcharge on all services and goods not subject to TOT and fuel sales and to use and administer the funds as outlined in the Concession Contract.

(I)(We) agree to adhere to applicable parts of 43 CFR Part 429, Use of Bureau of Reclamation Land, Facilities and Waterbodies and 43 CFR Part 423, Public Conduct of Reclamation Facilities, Lands and Waterbodies.

(I)(We) agree to implement the Maintenance Plan (I)(We) have presented in (My)(Our) proposal 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. (I)(We) realize that because of the unique parameters of this Prospectus and concession opportunity, that Reclamation retains the right to make final adjustments to the proposed maintenance plan in advance of the concession contracts execution.

(I)(We) agree to implement the Operating Plan (I)(We) have presented in (My)(Our) proposal 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) realize that because of the unique parameters of this Prospectus and concession opportunity, that Reclamation retains the right to make final adjustments to the proposed Operating Plan in advance of the concession contracts execution.

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

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

(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 comply with the specifics and philosophy identified in 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”.

(I)(We) agree to implement Reclamation annual financial reports and reporting requirements identified in the concession contract Section 8 – Accounting Records and Reports, and Exhibit J: Financial Reporting Reports, without condition and without modification.

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

PART B

The following 4 pages that address the Principal Factors and associated Criteria may appear somewhat repetitive. These Principal Factors and Criteria will be directly responded to by Offerors and evaluated and scored by Reclamation. Reclamation believes it is singularly important for all Offerors to thoroughly grasp the following issues discussed because of the significant impacts to final evaluation scoring. The actual presentation of a bid may be impacted by understanding the following.

Bid Rating Approach and Review Panel

All Criterion scoring will be based on a determination by the rating panel of which proposal on any particular location provides the best response to the specific individual Criteria. The proposal that is identified as having provided the best response in line with the ROD, FEIS and this Prospectus will get the most points for the specific Criteria. It is possible to have one or more Offerors at the same score if their proposals are similar or essentially of the same caliber. A score of zero on an individual criterion DOES NOT result in disqualification. However, a score of zero for an entire PRINCIPAL FACTOR indicates a non-responsive proposal and would result in disqualification of any Offeror receiving such a rating.

The skill and ability to make these scoring determinations will be within the capabilities of the individuals on the eventual rating panel. This is a complex process that can not be accomplished by just filling in the blanks on a score sheet and it requires individuals with many years of experience in understanding intricate proposals and how they apply to the directions provided in the Prospectus. The panel will be required to compare differing proposals and make determinations, based upon their expertise, as to those proposals that represent the most responsive package and most likely to fulfill the needs of the public while still providing a reasonable opportunity for profit to an eventual new Concession Contractor.

The degree of responsiveness and determination of the best proposal on individual criteria and the eventual best overall proposals will be accomplished by a select group of Federal Government employees and if necessary government contractors who have in-depth knowledge, experience and background in concessions and recreation hospitality management activities on Public Federal Lands. Most of the members of the panel will have served on previous concession panels comparing competing proposals, identifying strengths and weaknesses of individual proposals and making a recommendation to a selecting official. The rating panel for this Lake Berryessa concession opportunity may have representatives from multiple land management agencies with responsibilities for concessions management. The rating panel will discuss in detail all aspects of the various proposals and the responses to the several criterion and other requirements of the Prospectus presented by Offerors. They will reach a group consensus on all ratings and the final recommendations will reflect this consensus. The core individuals of the panel are all voting members in making the final recommendations. One of the voting members of the panel will be the chairperson. There will be other participants on the rating panel that are present as 'Subject Matter Experts' (SME's) to assist the voting members in particular complex areas of the Prospectus or to provide local area clarification or facts that may

be necessary to fully analyze the proposals. SME's may or may not be Federal Employees and will be non-voting members only present for appropriate discussion and clarification. Some likely SME involvement could include the following:

- A Certified Public Accountant or other qualified entity to review and evaluate the business and financial projections of all of the proposals.
- One or more individuals very knowledgeable about the current operations both public and private at Lake Berryessa. It is likely that this would be filled by a person(s) currently employed at Lake Berryessa, Central California Area Office or the Mid Pacific Regional Office with direct responsibilities at Lake Berryessa.
- One or more individuals with a strong management background in all aspects of concessions management, prospectus development, selection panels, and able to provide in depth discussion considerations on areas of complexity. This individual(s) may be a contracted expert not currently a federal employee.
- An attorney familiar with the challenges of public land administration and knowledge regarding issues similar to concession contracts. This person may not be present for the hour by hour and day by day review taking place but will be available to review any and all matters concerning facts of law and other legal questions or possible anomalies.
- Part time consultation as necessary with federal or non-federal experts in the fields of marina development, civil engineering, environmental engineering, hospitality management, contract law, NEPA specialist, etc.

Disclaimer Notice to Offerors RE: Bid Evaluation Process

As identified several times in various sections this Prospectus is a unique approach. In compliance with the Record of Decision (ROD) and in response to numerous public comments during the lengthy Environmental Impact Statement (EIS) process Offerors have a very flexible opportunity to outline their approach and preferences to developing the six concession areas identified in this Prospectus at Lake Berryessa. Reclamation has provided broad direction regarding the types and numbers of facilities and services desired at each of the six locations. Offerors have the ability to indicate their particular preferences in their proposals as to exactly how they would structure their business at any location if they are determined by Reclamation to be a successful Offeror. This approach will result in bids that are divergent among Offerors. The traditional approach for establishing new concession contracts presents numbers and types of development to be bid upon as a *'fait accompli'* and an Offeror has limited 'big picture' flexibility and must separate their bid from others in more subtle ways or perhaps on non operational issues, i.e. how much franchise fee they will pay the Government. During the planning process public comment from the then existing Concession Contractors and others strongly appealed to Reclamation to permit the Offerors to define the types and mixes of facilities and services. Reclamation has responded to that appeal by providing limited direction as to exactly what types and numbers of facilities must exist at various locations while simply outlining the types of facilities and services believed by Reclamation to be most suitable without making it a requirement.

This approach while hopefully stimulating and exciting to Offerors because of the prospect to display their specific knowledge and creativity within the 'recreation hospitality industry' introduces significant challenges to Reclamation in evaluating, comparing and scoring various bids. It is likely, based upon the parameters outlined in the Prospectus, that Offerors will be developing their proposed vision and business models from the same business types, i.e. marinas, hotels/motels/cabins, food and beverage, campgrounds, RV Parks, retail facilities, etc. However, it is not likely the proposals will have the same mix or business model among different Offerors at each of the six locations being competed through this Prospectus. To some extent determining a successful Offeror(s) among likely proposals will require Reclamation to compare *'apples and oranges'*.

This discussion is provided to put all Offerors on notice that Reclamation recognizes that this approach complicates the selection process and adds significant complexity to the bid evaluations. The approach that Reclamation will establish is to assure that members of the Evaluation Panel have an appropriate mixture of expertise and general knowledge in one or more applicable aspects of:

- Public outdoor recreation and traditional land management;
- Hospitality industry services and facilities in general and as applicable on public lands;
- General business techniques;
- Significant mission knowledge regarding Reclamation;
- Financial skills as applicable to reviewing and understanding complex business models and economic pro formas and;
- Strong knowledge and background in concessions management applications.

To the extent that the actual voting panel members may not have all of the just outlined knowledge there will also be various 'subject matter experts' to provide assistance to the panel during their review and deliberations.

Reclamation intends to evaluate the bids through application of both the specific knowledge available among the panel and through the information provided in the ROD and other parts of this Prospectus. The evaluation of the virtues of various bids will still be an objective effort to measure and compare the relative merits of differing bids. Given the expertise and knowledge of the panel, the process of comparisons among Offerors will be a professionally determined approach that Offerors must understand

as they work on their proposal. The comparison of divergent proposals as described above will be a challenge and the results will not be a 'bright line' difference that will be clearly apparent to Offerors. Offerors, through the action of completing and submitting a proposal, are also indicating their awareness and acceptance of this approach for comparing various bids.

If this identified approach creates an unacceptable level of discomfort to any potential Offerors in going forward with a lengthy and costly bid process they should give consideration to not submitting a bid to the Prospectus. For obvious reasons an appeal from an unsuccessful Offeror alleging a faulty decision on selection of a winning Offeror(s), based in whole or part on this need and approach at comparing/evaluating differing proposals at the same locations, will not likely result in an appeal decision that provides a higher level of satisfaction to the disappointed Offeror.

PRINCIPAL FACTORS

There is the possibility for Offerors to score as high as 166 ‘Value Points’ in this Part B. Those points are outlined on the following pages under each of the 6 ‘Principal Factors’ and their associated ‘Criteria’. In the process of evaluating and scoring the following 6 ‘Principal Factors’ and the individual ‘Criteria’ it is possible in all instances for Offerors to be awarded the maximum number of points indicated or any amount down to zero depending upon how well their proposal is judged in addressing the requested information.

PRINCIPAL FACTOR 1

THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES OF PRESERVING AND PROTECTING THE EXTENDED ENVIRONMENT AND THE SPECIFIC RESOURCES OF THE LAKE BERRYESSA AREA (Value 20 Pts.)

Note: When preparing the documentation to this Principal Factor re: the Environmental Program and the associated Criterion (sub-criteria 1-18), Offerors must present their responses in the exact order as presented below. Furthermore, responses need to be as complete as possible and the Offeror should resist the inclination to refer rating panel members to search other parts of the proposal. If it is necessary to use the support of other proposal sections then identify them clearly by exact section and page number.

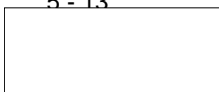
Criterion B1 - Description of the Environmental Management Program (20 Value Pts.)

Reclamation is committed to the protection of the natural and cultural resources of the area. Submit with your offer a proposed detailed Environmental Management Program (EMP) addressing the elements identified below and any others you believe are appropriate. The EMP should demonstrate your understanding of environmental requirements and sensitivity as it applies to the hospitality industry in natural areas, the specific 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.

**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.*

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 (i.e. lodging, F&B, marina, retail etc.) under this concession contract.

The EMP shall include, but not be limited to, the following elements:



1. Goals and Targets. - The EMP shall provide 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.
2. International Organization for Standardization (ISO) 14001 Certification - The concession contractor will become ISO 14001 certified by (identify a date that you believe is attainable for your proposal). *(Many of the other elements of this criterion also fall into line with the requirements of the ISO 14001 certification; however, the willingness to commit to this program displays an advanced level of commitment to the environment).*
3. Responsibilities and Accountability - The EMP shall identify a key employee with the overall environmental responsibility for the proposed operation at Lake Berryessa, their qualifications, and identify where that person falls within the management hierarchy. The EMP will also identify environmental responsibilities for all levels of concession contractor employees and contractors.
4. Reporting - The EMP shall describe and implement a system for reporting environmental issues and actual or potential emergency situations.
5. 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 practices. In addition, the EMP shall identify how the concession contractor will manage environmental information, including without limitation, plans, permits, certifications, reports, and correspondence.
6. Monitoring, Measurement, and Corrective Action – The EMP shall describe how the concession contractor will continually self-assess its performance under the EMP. The results of the self assessment will be annually submitted to Reclamation.
7. Training - The EMP shall describe the environmental training program and how it applies to all levels of employees and management. This training program should include identification of staff to be trained, training subjects, frequency of training, and how training will be documented.
8. Integrated Pest Management - The EMP shall describe how the concession contractor proposes to address pest infestations in facilities and lands within their management area.
9. Hazardous materials and waste management - The EMP shall describe how you will reduce or eliminate the use of all hazardous materials in your operations.
10. Recycling of solid waste - The EMP shall describe plans that address solid waste control and disposal, including reduction of solid waste and all types of recycling.
11. Fuel storage and delivery systems - The EMP shall describe how you will meet all applicable designs, laws and industry standards regarding storage and delivery storage requirements regarding fuel systems.
12. Emergency response - The EMP shall describe emergency planning and response.

13. Use of environmentally preferable cleaning products- The EMP shall describe the extent of the use of environmentally preferable cleaning products and identify those products and introduce the practice of 'green procurement'.
14. Protection of night skies from light pollution - The EMP shall describe how your plan will eliminate and/or reduce light pollution. (Reclamation is requiring that all outdoor lights must be covered and not project light towards the sky.)
15. Reduction of noise and protection of natural quiet - The EMP shall describe how your plan will reduce noise and protection of natural quiet to enhance the visitor experience.
15. Renewable Energy - The EMP shall describe your plans for use of solar powered lighting, solar energy, wind generated electricity, etc. (Reclamation is interested in serious commitments to maximizing application of renewable energy sources.)
16. Landscaping plans - The EMP shall describe landscaping plans addressing native vs. non-native species.
17. Water and energy conservation - The EMP shall describe the steps you will take to practice water and energy conservation in daily operations and in the design, construction, and rehabilitation of facilities and use of alternative energy devices.
18. Public awareness and education - The EMP shall describe practices into all operations that deal directly with the general public/customers that either directly or subliminally educates them on the need and value of an integrated environmental approach.

Offerors may get some benefit from also reviewing Section 3 of the Draft Concession Contract (PART 6 of this Prospectus) and PART 7.12 of this Prospectus.

PRINCIPAL FACTOR 2

THE RESPONSIVENESS OF THE PROPOSAL TO THE OBJECTIVES OF PROVIDING QUALITY* VISITOR SERVICES. (Value 58 Pts.)

***QUALITY** – It is important for all Offerors 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 budget brand motel (Motel 6 or Super 8) can be ‘quality’ when properly managed with attention to detail. A luxury brand hotel (Hilton, Sheraton) can fail to meet ‘quality’ expectations if bathrooms are not clean, facilities are not properly maintained, or employees are improperly trained or inattentive. 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 Lake Berryessa.*

***Note:** When preparing the documentation to this Principal Factor, Offerors must present their responses in the exact order as presented below. Furthermore, responses need to be as complete as possible and the Offeror should resist the inclination to refer rating panel members to search other parts of the proposal. If it is necessary to use the support of other proposal sections then identify them clearly by exact section and page number.*

Criterion B2 (a) Maintenance Plan (Value 5 Pts.)

The Offeror must develop and propose a Maintenance Plan that meets the standards described in the Draft Concession Contract and Exhibit F (Maintenance Plan) that effectively responds directly to the unique operation proposed by the Offeror in response to this Prospectus. The concession contract requires the new concession contractor to maintain the facilities and assigned lands to the satisfaction of Reclamation and in accordance with the eventual final Maintenance Plan attached to the concession contract. The Maintenance Plan as drafted and submitted by the Offeror will become Exhibit F to a final contract for any successful Offeror. Reclamation and a successful Offeror will negotiate the final content and structure of the Maintenance Plan with Reclamation having the final determination on any areas of disagreement.

Criterion B2 (b) Operating Plan (Value 5 Pts.)

The Offeror must develop and propose an Operating Plan that meets the standards described in the Draft Concession Contract (Sec. 2.B) and Exhibit G (Operating Plan). Exhibit G of PART 6 in this Prospectus can serve as a guide or template in developing an Operating Plan that effectively responds directly to the unique operation proposed by the Offeror in response to this Prospectus. The concession contract requires the new concession contractor to operate in a manner that responds to the reasonable expectations and needs of visitors to Lake Berryessa.

The Operating Plan as drafted and submitted by the Offeror in response to this Prospectus will become Exhibit G to a final contract for any successful Offeror. Reclamation and a successful Offeror will negotiate the final content and structure of the Operating Plan with Reclamation having the final determination on any areas of disagreement.

Criterion B2 (c) Risk Management Program (Value 5 Pts.)

Submit a Risk Management Program tailored to your unique proposal and proposed area(s) of operation that addresses the elements of an effective Risk Management Program (health and safety program), according to the requirements of the Draft Concession Contract for such a program. In preparing the program address each of the following (There may be some overlap here in comparison to similar responsibilities from Criterion B1 [Environmental] but it is important that these are specifically responded too and not merely reference a response to another Criterion):

1. Managements policy statement, duties, employees' responsibilities, and administration.
2. Inspection and abatement.
3. Accident investigation and reporting.
4. Accident prevention.
5. Safety and health organization.
6. Training levels for various groups of employees and management.
7. Emergency procedures.

The Risk Management Program as drafted and submitted by the Offeror in response to this Prospectus will become the EMP utilized by any successful Offeror. Reclamation and a successful Offeror will negotiate the final content and structure of the Risk Management Program with Reclamation having the final determination on any areas of disagreement.

Introductory Explanation to B2(d) - Most concession Prospectuses and the associated Draft Concession Contracts issued by Reclamation and other Federal land management agencies specify some services to be **'Required'** and others that are **'Authorized'** or optional. The **Required Services** are not optional, and an Offeror must indicate full agreement to provide such services, but they may make choices in their proposal package among any indicated **Authorized Services** as to whether to offer them or not. However, the nature of this Prospectus permits Offerors to personally identify in their proposal ALL of the services they wish to provide, and the Prospectus does not make any specific requirements or categorization between Required and Authorized Services.

There are fairly broad parameters provided by the planning effort and the ROD that outline business types acceptable for the future of Lake Berryessa. The range of likely services include cabins, motels, cottages, other lodging, food and beverage, marinas, launch ramps, personal watercraft, motorboat and houseboat rentals, retail sales, camping, RV parks, etc., and there may be other types of business that is associated and appropriate including the concept of 'Annual Occupancy' as outlined in the ROD and below in this section. **Reclamation recognizes, as should all Offerors, that the various proposals submitted in response to this Prospectus may represent a wide range of differing combinations of facilities and services proposed for each individual concession location at Lake Berryessa.**

Responses to this Prospectus are not purely a numbers game and more is not necessarily better. Reclamation is more interested in quality and fulfilling the basic needs outlined in the ROD and this Prospectus. Therefore proposing facilities and services that are beyond these parameters may not result in a determination of a better bid. However, if those facilities add to the revenue stream in an acceptable manner they will still be considered.

As outlined earlier in this PART 5 all Offerors need to recognize the obligation for them to **fully describe** the details of their proposed operation to assure adequate consideration during the proposal evaluation process. Meeting that obligation will be most apparent in response to this Criterion (B.2.d).

Criterion B2 (d) Proposed Services (Value 35 Pts.)

The response to this Criterion B2 (d) is where the Offeror will specifically identify their proposed operations. A satisfactory proposal meeting the base services outlined in Table 4-1 in PART 4 of this Prospectus will likely receive a score in the mid-range of the value points available. A satisfactory proposal that includes facilities and services for use by the visiting public as listed in Table 4-2 PART 4, will likely receive consideration for additional points. Offerors should note that by proposing enhanced facilities that do not directly support water based recreation their bids will not necessarily be considered superior. Likewise, Offerors need to understand that not every site must be open year-round to receive the maximum number of points as we realize that in some areas seasonal closures may be prudent based on visitation. Proposals with enhanced facilities (in excess of base facilities or additional facilities that promote year-round visitation) in terms of quantity as well as quality and design as outlined in PART 2.F will likely receive a score on the higher end of the value points available; however, the number of facilities must conform with the general spatial separation between activities as outlined in the Recreation Facility Design Guidelines as found at <http://www.usbr.gov/recreation>, and guidance provided in PART 4

of this Prospectus. To capture as many of the available value points as possible Offerors should be thorough and complete in outlining their proposed operations to include numbers and types of building and facilities, Development Concept Plan (DCP), proposed operating seasons, level and types of landscaping, capacities, and all other types of details that will assist the rating panel in adequately judging the proposal. A DCP includes: conceptual design drawings, artistic renderings, elevation views of buildings and structures, layout of campsites, RV sites, hotels, restaurants, boat slips, cabins, boat launch ramps, stores, restroom, dry stack boat storage facilities, etc.

For the sake of the Prospectus, all facilities and services proposed by an Offeror will be viewed as REQUIRED SERVICES in any eventual contract derived from a successful proposal. In evaluating these differing proposals, Reclamation will make determinations regarding which of the proposals provide the most responsive business model that will best serve the public and still provide a reasonable opportunity for a profit to the prospective new concession contractors and that respond most effectively to the other requirements outlined in this Prospectus and the ROD. An important aspect of the evaluation and rating process by Reclamation on this Criterion B2 (d) will be how well the proposal recognizes the need for and addresses facility and service integration as it applies to other Offerors and the eventual overall mix of services and facilities throughout all seven Lake Berryessa concession locations.

All Offerors should provide a chart or table that itemizes their total proposed facilities and service package, by concession location. This chart should include information on number and type of facilities, proposed date to begin construction, completion date and approximate cost. A narrative description, artistic renderings or other approaches to outline the intended program are acceptable, but the chart as described above will assist the evaluation panel in assuring that all proposed facilities and services are considered.

All Offerors must include a chart or table in the DCP that itemizes their total proposed facilities and service package, by concession location. This chart must include information on number and type of facilities, proposed date to begin construction, completion date and approximate cost. A narrative description, additional artistic renderings or other approaches to outline the intended program are acceptable, but the chart as described above will assist the evaluation panel in assuring that all proposed facilities and services are considered.

The ROD identified implementation of Alternative B modified with elements of Alternatives A, C and D plus mitigation. The ROD requires that “final development plans will be consistent with the framework for Concession Operations in Alternative B” with certain modifications “subject to site-specific environmental analysis as appropriate”. Alternative B as modified is therefore a framework for future development, operation and maintenance of concession operations at Lake Berryessa. Table 4-1 in PART 4 of this Prospectus outlines Reclamation recommended base services at each concession area. Offerors that are submitting a proposal for multiple sites are encouraged to apply their knowledge and experience to expand, modify or exchange the types and level of services within each concession area to best meet Reclamation’s overall objective of expanding recreation management at Lake Berryessa to better serve the short term visitor.

Offerors should assure that their planned facilities and services are compatible with the general direction provided in the Record of Decision as follows:

Provide outdoor recreation facilities and services for the visiting public...which will accommodate a variety of aquatic-related recreation experience opportunities to the extent and quality that such combination will protect the aesthetic and recreational values and assure optimum short-term recreational use and enjoyment and social benefit.

In addition, the ROD discusses the integration aspect of ‘Government and Concession Operations’ as follows:

“Sec. III.1.a – Integration – To the extent practicable, Government and commercial operations at Lake Berryessa will be developed, implemented, and managed on an integrated, lake-wide basis to (1) provide the widest practical spectrum of recreation experience for the visiting public, ...”

A final mix at Lake Berryessa that is well integrated would not result in the same core business models duplicated at each location. For example if each of the seven locations feature annual occupancy lodging rentals, short- term cabins, and a marina, because of the perceived profit levels of those services and facilities but without an apparent desire to provide RV Parks or camping, then the mix/integration would not be as desirable as a different business model that is able to focus on the lakewide combined business structure at Lake Berryessa. Offerors that are unable to display any or only a partial integrated lakewide business mix will still receive applicable ‘value points’ in relation to this Criterion B2 (d) but Offerors able to propose a more thorough approach for lakewide business mix will be rated higher. Individual efforts by Offerors to have business models that attempt to have ‘some of everything’ at each particular concession location is not as compatible with the ROD (integrated businesses) as having differing mixes of business types on Lake Berryessa as a whole.

Although it is not prohibited for each of the six concession areas being addressed by this Prospectus to all have the same combination of basic facilities and services for the public Reclamation perceives such an approach as less desirable and not as commercially efficient as a more integrated business mix.

The Record of Decision for Future Recreation Use and Operations of Lake Berryessa outlines the option for Offerors to propose designated facilities for ‘annual occupancy’. In the ROD, an opportunity for ‘Annual Occupancy’ is provided in Section 4.c of the ROD as follows:

*“Annual occupancy on Federal lands at Lake Berryessa may be permitted **only (1) where necessary to sustain the economic viability of the concession enterprise as demonstrated through the competitive contracting process and (2) where such occupancy does not exclude or unnecessarily constrain or restrict construction, installation, operation, or enjoyment by the general public of short-term recreation use facilities on Federal lands at the lake (Lake Berryessa). The Prospectus will provide guidance and direction for demonstrating the need for annual occupancy.**” (Bold emphasis added)*

All occupancies (short- or long-term) must conform to the requirements of 43 CFR 429 subpart H.

Offerors are cautioned that design and renderings for their proposal should reflect the historical architectural flavor of this area of California and the Building Form, Line, Color, and Texture Guide found on the Prospectus website. At a minimum, all buildings must be compatibly and thematically designed. Upon selection of successful Offerors, final determination on design will be discussed in detail but final determined will be made by Reclamation.

The opportunity for Annual Occupancy is provided solely to increase the economic viability for Offerors and Annual Occupancy must not be the primary amenity of any area. The Offeror’s demonstration for the need to offer Annual Occupancy should be outlined in the financial projections of the pro forma portion of the proposal.

Multiple or Combined Proposals to be Rated in Separate Components - A single proposal on one property by an Offeror is the least complex approach to submit a proposal to this Prospectus. An example of such a proposal would address just Spanish Flat or any other single property by either an

individual or a company. To effectively evaluate and compare this proposal among all others who have made any type of proposal (whether single or combined) for Spanish Flat, Reclamation has determined to treat even combined proposals in a manner that breaks out their individual location components (i.e. Spanish Flat in this instance) in a manner that compares them to all other proposals on the same property, i.e. Spanish Flat.

Credit Given to Multiple/Combined Offerors for Overall Impact - Reclamation will take into consideration particular services and facilities proposed by Offerors for multiple locations other than just the one being evaluated, if it appears that the overall public needs for visitors to Lake Berryessa will be adequately met and addressed by a combined proposal even if a particular service or facility (i.e. RV Park Facilities) is not addressed at the specific property in question. This is especially applicable when the service or facility in question **IS** addressed by any other Offerors, single or combined, on the location (i.e. Spanish Flat) in question (Please see Sec. K.2 in PART 3 of this Prospectus). This is a reasonable and valid consideration because one of the benefits of offering on multiple properties is the opportunity for the Offeror to consider the economy of scale and the benefits of featuring different services and facilities at differing locations. This is a benefit to those competing for more than a single location and Reclamation intends to recognize their overall approach and innovation in providing services to the public if they have also been responsive to the ROD, FEIS and this Prospectus.

Example - The following is an example of how the complex actions as described in the preceding two paragraphs would be conducted during an evaluation of proposals by Reclamations review panel:

Offeror A is submitting a **single** proposal and that proposal is only for Spanish Flat. They propose the following for Spanish Flat:

- 75 site campground without utility hook-ups (+ other associated amenities)
- 30 site RV Park with full hook-ups (+ other associated amenities)
- 20 short term rental cabins
- 15 long term occupancy cabins
- A small sit down café
- Retail facility featuring boating, fishing, camping, groceries, sundries, gifts etc.
- Marina of approximately the current size and features
- 5 Houseboat Rentals
- Day use area (picnic and swim area)

Offeror B is submitting 4 **separate** individual proposals, one each for Spanish Flat, Rancho Monticello, Steele Park and Lake Berryessa Marina.. The proposal for Spanish Flat includes the following:

- 50 site campground without utility hook-ups (+ other associated amenities)
- 50 site RV Park with full hook-ups (+ other associated amenities)
- 30 short term rental cabins
- 5 long term occupancy cabins
- A small sit down café
- Retail facility featuring boating, fishing, camping, groceries, sundries, gifts etc.
- Marina of approximately the current size and features
- No Houseboat Rentals
- Day use area (picnic and swim area)

Offeror C is submitting a **combined** proposal for 5 locations (Markley Cove, Steele Park, Spanish Flat, Lake Berryessa Marina, and Putah Creek). The portion of the proposal for Spanish Flat includes the following:

- 100 site campground without utility hook-ups (+ other associated amenities)
- 50 site RV Park with full hook-ups (+ other associated amenities)

- *No short term rental cabins*
- *No long term occupancy cabins*
- *A small sit down café*
- *Retail facility featuring boating, fishing, camping, groceries, sundries, gifts etc.*
- *Marina of approximately the current size and features*
- *No Houseboat Rentals*
- *Day use area (picnic and swim area)*

This example is fairly simplistic and lacks detail that would be present in an actual proposal and it is likely that there would be other potential components not shown here. However, for the sake of an example this illustrates, in its simplicity, the process. In comparing the proposals the process could go as follows:

- *Campgrounds – A, B, and C all propose a campground but of differing sizes. Since both B and C have other locations addressed in other proposals or in a combined proposal the evaluation panel would take a look at how Campgrounds are addressed in those other locations. On the surface B seems to have the least commitment to campgrounds with only 50 sites but they may also have substantial sites on some of their other locations that adequately address the overall need. It appears here that C has the strongest proposal in regard to just the campground portion again depending upon how they address campground facilities in the other areas for which they have submitted proposals.*
- *RV Park – A similar review to the preceding on campgrounds indicates that B and C are likely the strongest proposals here but to finalize that determination we would need to look at how they address RV Parks in the other locations they are competing on. It may be that B has suggested no other RV Park areas in any of the other locations and if that is the case they would not be rated as high here as C if C had also indicated additional well balanced RV Park features at other locations. (It is apparent when reviewing C's proposal that they are focusing on creating a Spanish Flat operation that has these operations as the core of business without other types of overnight facilities.)*
- *Short Term Rental Cabins – A has 20 cabins, B has 30 cabins and C has none proposed. If Reclamation has indicated through the ROD and FEIS that Spanish Flat is a good potential location for Short Term Rental Cabins then B would seem to have the most responsive proposal here. However, it is necessary for the review panel to also check the other areas proposed upon by B and C to determine if they have addressed this type of use elsewhere. It is possible that C has substantially addressed this type of cabin use at other areas in a manner that fully delivers a good cabin package on a lakewide basis. Also of importance in the review panel evaluation of these and other facilities is how well they are designed, sited and fit into the environment and how their décor and general ambiance will add to the experience and the expectations of the customers.*
- *Annual Occupancy (AO) Cabins – A proposes 5 AO units, B 5 and C none. B does not adequately demonstrate that AO is necessary to support their business model which includes a range of base services and additional facilities to promote year-round visitation. C's proposal is for seasonal-type base services only. A fully justifies the 5 AO units plus a range of base services and additional facilities to promote year-round visitation. On balance, A would appear to likely rated higher in the AO category.*
- *Small Sit Down Café – On the surface these all seem equal and it very well may be but a closer review of the particulars of the individual café's is necessary. Things such as size, type of proposed menu, proposed operating hours, location, décor, etc. could separate them from one another.*

- Retail Facility – This is much the same as the café in regards to how it appears and how it would be further examined.
- Marina – Again the same as the last two. Although it is important for all facilities the degree to which a marina facility is environmentally sensitive to the protection of the water resources from pollution or operational debris will receive critical review by the review panel.
- Houseboat Rentals – Only A has proposed houseboat rentals for Spanish Flat. It is likely that B and C have addressed them at other locations but if not then A has at least recognized the need for a houseboat rental operation at Lake Berryessa.
- Day Use Area – These seem similar but again once a review of the particulars proposed for Spanish Flat and the other components proposed for other locations by B and C there will probably be some type of separation between the three Offerors.

It should be apparent in this significant Criterion that it is not likely, due to the complexity of proposals, for many or even any ratings to come out the same. Some will be stronger in certain components while others will shine elsewhere. As outlined earlier to all Offerors this flexible opportunity increases the complexity and requires Reclamation to often make determinations between two or more proposals that present completely different business models. In those instances Reclamation will make their ratings based upon the proposals that best address the spirit of the ROD and otherwise appear to have the most effective business approach for serving the short term public needs also outlined in the ROD and FEIS.

As outlined previously in this Prospectus it is not expected or even desired by Reclamation for every location to have every possible service or facility. For instance a campground or other significant land based facilities at Markley Cove is not likely because of the topography. Houseboat rentals at some locations are not a good match because of the aspect of the lake. Furthermore trying to include too much at each location is not in line with the intent of the ROD or the expectation of the traveling public.

The most responsive proposal will not necessarily be the one that has the most sites or greatest number of proposed facilities. Although an adequate number of expected facilities is important too many will also detract from the ambience, experience and the opportunity for the Concession Contractor to realize a profit. This balance between ‘adequate and excessive’ is one of the factors, in this Prospectus, that makes this criterion so valuable and worth so many potential points. Offerors will exercise their creativity as well as their sense of necessary and appropriate business levels in describing their proposed models.

Final Notes to this B.2.d Criterion – It is apparent in the review of all the Criteria within this Part B upon which Offerors will be rated that the preceding B.2.d Criterion is the single most significant based upon the number of possible ‘Value Points’ (35). This is due to the unique opportunity presented by this Prospectus that invites and permits Offerors to stipulate exactly how they propose to conduct a concession business (within the flexible parameters of the EIS and ROD). Traditional Prospectus documents and concession business opportunities would specifically identify the operational boundaries of the business instead of permitting Concession Contractors to propose their own boundaries. Therefore the actual description of the business model proposed by individual Offerors is extremely critical to the selection process and deserving of substantial value.

Important Re: Markley Cove – Any Offerors whose individual or combined proposal includes Markley Cove must pay special attention to the ROD to assure that the required components are included. If a bid is received that does not adhere to the minimum requirements stipulated by the ROD for Markley Cove it will be found non-responsive.

Important Re: Steele Park – Please be advised that there is a requirement as a part of your bid package to pay the NBRID assessment levied upon any Concession Contractor at Steele Park Resort. See Part 3 Section O for specific information and discussion regarding Steele Park’s special assessment for municipal water and wastewater system.

Important Re: Year Around vs. Seasonal Facilities – Reclamation strongly believes that visitor facilities and services at Lake Berryessa should have a mixture of seasonal and year around operations that reflect the expectations of the public. It is certainly appropriate to consider having some functions available only during a time of high demand. However, there will be a demand for some lodging, RV and camping, food and beverage, marina and associated support functions throughout the year. Offerors should indicate the intended season of their proposed business operations. For Offeror’s submitting multiple or combined proposals it should be relatively simple to address how the public will be served during shoulder and off seasons throughout the combined proposed operations. For Offerors submitting a single proposal on one location they will need to develop their seasonal approach without the benefit of having any control or knowledge of the available facilities and services at the 5 other locations. Reclamation intends to evaluate this need in a fairly flexible manner. Individual Offerors may want to include some wording in their proposal that indicates a willingness to determine opening and closing dates as a part of the final negotiation process when consideration can be given to all the Offerors and how the public can best be served. It could have negative impacts on the profitability of an operator to either be open too long during the year when adequate demand does not exist for certain functions. At the minimum, if an operator has a marina with slip rentals, a year around coverage to insure availability and security of those assets need to be available. This is another of the many aspects of this Prospectus that is complicated by the flexible bidding approach. Offerors need to give critical consideration to how they will address this issue in their pro-formas. Furthermore it is likely that business during shoulder and off seasons will expand each year as the public discovers the new business environment at Lake Berryessa and as Concession Contractors mount effective marketing programs to address the non-core season. At a minimum, all Offerors should indicate a willingness to be flexible on this matter as it will be a factor on any eventual concession contracts established as a result of this Prospectus.

Criterion B2 (e) Area Resources Training (4 Value Pts.)

How will you train your employees to interpret and provide information to visitors about area resources and the purpose and significance of the area of operation, surrounding areas, and Reclamation?

Criterion B2 (f) Thematic Merchandising (4 Value Pts.)

Reclamation wishes to provide gift and souvenir operations that focus on area-related themes. Merchandise should enhance appreciation and understanding of the area of operation and Reclamation, the significance of the natural world and the environment, and set a model of environmental responsibility. The Offeror is required to develop a Gift Shop Merchandising Plan that will become a part of the concession contract. This plan shall ensure that gift merchandise to be sold or provided reflects the significance of the location, including conservation of resources, geology, wildlife, local Native American culture, local ethnic culture, and historic significance. For example it would not be appropriate to have gift items focusing on Yosemite National Park or the Golden Gate Bridge at Lake Berryessa. Review the following documents for some ideas on themes for Lake Berryessa:

- PART 6 - Exhibit M of this Prospectus.
- Visitor Exhibit Design Plan at the Lake Berryessa Prospectus website.

Submit a Gift Shop Merchandising Plan showing your plans for achieving this goal. How will you approach developing appropriate retail themes and decor as well as the necessary policies and sources of merchandise to successfully effect this continual change? Include specifically how you will acquire and present merchandise that reflects the purpose and significance of the Lake Berryessa Area.

Please review PART 6 - Exhibit M (Thematic Merchandising). This Exhibit presents some philosophies and ideas to help Offerors focus on ‘Thematic Retail approaches.

Provide ideas or sample products or descriptions of interpretive methods, media, and material you propose to provide.

The Gift Shop Merchandising Plan should address the following objectives and requirements:

1. The images of the Lake Berryessa Area and the gift shops are intertwined; the shops, in terms of both merchandise and personnel, are a front-line of Reclamation’s interaction with its visitors and should exemplify quality and professionalism. The concession contractor will continue training retail personnel to be aware of the sources (when important), quality, and authenticity (when appropriate) of merchandise items. Themes and categories will be identified through consultation with Reclamation’s staff and the concession contractor’s staff to guide in the implementation of this objective.
2. To the greatest extent possible, gift and souvenir items will have an identifiable relationship to the Lake Berryessa Area and the environs, the natural and cultural history, or other related topics. Some possible themes are:

- | | | |
|-------------------------|---|--|
| Scenery | ■ | Mountain, Riparian and Botanical features of the Lake Berryessa Area |
| | ■ | Skies. |
| Geology | ■ | Geologic history. |
| | ■ | Mineral and rock samples. |
| Life Communities | ■ | Balance and interdependence of life forms. |
| | ■ | Area flowers, trees, etc. |
| | ■ | Area animals, birds, fisheries. |

Settlement of The Area	<ul style="list-style-type: none"> ■ Native Americans in the LB Area. ■ European Americans and other Explorers/Pioneers in the LB Area.
Area Experience	<ul style="list-style-type: none"> ■ Enjoying the special attributes of Lake Berryessa. ■ Activities at and around Lake Berryessa ■ Fishing ■ Boating ■ Wine Industry
Environmental Topics	<ul style="list-style-type: none"> ■ General topics and issues of importance to all areas, (e.g., air quality, water quality, and waste disposal). ■ Relationship between areas and their environs, role of areas as indicators of this relationship. ■ Environmental ethics.

3. Handcraft items or other products representing area and regional themes will be encouraged and sought; conversely, handcraft items from other regions of the United States are discouraged.
4. When possible and appropriate, informational hang tags will be attached to sales items in an interpretive or educational effort to illustrate the relationship of the item to one or more of the specific themes.
5. Gifts and souvenirs representing the desired themes will be sought within a broad price range, providing visitors the opportunity for various purchases. When appropriate, fine art may be included within the concession contractor's sales inventory.
6. The concession contractor has the responsibility to select specific merchandise that complies with this Merchandising Plan and the general Reclamation merchandising guidelines. Reclamation recognizes that purchasing and merchandising new inventory will be phased, and that items that do not sell, regardless of how well they support area themes, need not be offered for sale or reordered.
7. The above objectives are for gift and souvenir sales items. It is recognized that the concession contractor may also sell groceries, camping equipment, marina and boating supplies, activity items, clothing, sundries, and other general merchandise necessary and appropriate to meet the needs of visitors.

PRINCIPAL 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 THIS PROSPECTUS AND THE DRAFT CONCESSION CONTRACT. (Value 18 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 THE OFFEROR: No sub-concessionaires 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, a sale and transfer will not be permitted to another entity without Reclamation's approval.]

SPECIAL NOTE TO THIS PRINCIPAL FACTOR: If an Offeror responds in a positive manner to either or both of the following inquiries outlined in B3 (a) (14) and/or B3 (a) (15) regarding past failures, problems or conflicts Reclamation will closely examine the situations described and will consider direct agency knowledge (records) on occurrences involving recent Reclamation contracts with any Offerors to this Prospectus. It is possible that some of the types of infractions or conditions that would be listed are of such an insignificant or benign in nature that it has no bearing on expectations of performance and in that case it would not impact the scoring. However, there may be instances where it is of such a critical nature as to create a serious problematic relationship between the Offeror and the government and in such instances this could result in a significant impact to the overall scoring in this Principal Factor even overriding other values that may be otherwise earned through responses to other inquiries in Criterion B3(b).

Note: When preparing the documentation to this Principal Factor, Offerors must present their responses in the exact order as presented below. Furthermore, responses need to be as complete as possible and the Offeror should resist the inclination to refer rating panel members to search other parts of the proposal. If it is necessary to use the support of other proposal sections then identify them clearly by exact section and page number.

Criterion B3 (a) Business Structure (3 Value Pts.)

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.

Enter the following information for your business organization:

1. Name: _____
2. Present address: _____

3. Contact person: _____
4. Present telephone number: _____
5. FAX number: _____
6. Website and Email address: _____
7. Type of Business Organization (Check One or explain)
- Corporation _____
- Partnership _____
- Individual _____
- Sole Proprietorship _____
- Other _____

8. Ownership:

Names and Addresses of Owners (Corp: Show All 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		

9. If a corporation, list the names, addresses, and titles of corporate officers and the names and affiliations of the members of the Board of Directors:

Name	Address	Title

10. State of incorporation: _____

11. The following attachments must be provided as applicable 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.”
12. The following attachments must be provided as applicable for Offerors and concession contractors who are partnerships:
- a. Partnership agreements or joint venture agreements.
13. 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. This can be done by providing a narrative explanation at this spot in the order of information provided by the Offeror and by including appropriate attachments similar to those outlined for Corporations and Partnerships as applicable.
14. Have the Offeror or 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
15. 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 principals) that are related to the Offeror’s (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.
16. 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 (15 Value Pts.)

Reclamation is seeking a business organization(s) that has experience in managing the types of services outlined in the ROD and this Prospectus and as described in the Offeror’s proposal package. 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 Offeror's competence to manage and operate the specific types of business activities proposed. Provide a short narrative discussion that summarizes the relevant background and experience of your organization as it relates to your proposed operations and 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 are or have been involved in those previous or current operations? Indicate dates that subject individuals have served in the identified capacity and their job titles.
 - b. Include the names and telephone numbers of references able to testify to your organization's and key individual's performance in those previous or current operations.
 - c. Describe involvement in any Federal or other Public Agency concession operation and provide the name, address and phone number of an agency person that would be aware of your organizations' performance.
2. Identify all individuals who will provide key management or other functions in the concession operations. 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.
 - 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 individual's work experience, be specific about:
 - Size of operation.
 - Dates of engagement.
 - Location of operation.
 - Specific duties.
 - Number of people supervised.
 - d. Describe the individual's:
 - Training.
 - Education. Qualifications, courses, designations, ratings, and licenses obtained.
3. Provide an **organizational chart for on-site employees** indicating the lines of authority between departments or functional areas and managers.
 - a. 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.

- b. 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?
4. Describe key aspects of your management structure and system.
- a. Indicate the number of employees in each department and provide summary descriptions of basic functions where the basic functions are not obvious by title. In addition, provide a description of any training programs to be used to ensure core competency and provide opportunities for advancement of employees.
 - b. Provide proposed wage levels and estimated hours per week for each position or group of positions.
 - c. 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.)
 - d. 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?
 - e. How will you train your employees and set standards and training to achieve those standards, including ensuring that your employees will be hospitable and exercise courtesy and consideration in their relations with the public?
 - f. How will you achieve a constant standard level of knowledge among the staff about the area (for example, Lake Berryessa) and its rules, regulations, and special programs?
 - g. 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 winter shutdown, describe the training program that will prepare the staff for reopening the business.

PRINCIPLE FACTOR 4

THE OFFEROR'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 = 40)

The purpose of Principal Factor 4 is to establish certain information through responses to a series of questions that may be confirmed through reference checks, thus establishing compelling evidence of credibility and financial capability of the Offeror. 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, 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.

Note: When preparing the documentation to this Principal Factor re: the Financial Parameters of operating a concession at Lake Berryessa and the associated 6 Criterion (sub-criterion a-d), Offerors must present their responses in the exact order as presented below. Furthermore, responses need to be as complete as possible and the Offeror should resist the inclination to refer rating panel members to search other parts of the proposal. If it is necessary to use the support of other proposal sections then identify them clearly by exact section and page number.

Criterion B4 (a): Financial Health and History of Meeting Financial Obligations (15 Value Pts.)

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 five most recent fiscal years including tax returns, with all notes to the financial statements. Financial statements should be provided for the Offeror AND all parent companies. Personal financial statements and tax returns 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 and Bradstreet.

Criterion B4 (b): Understanding of Financial Obligations and Operations Needs (5 Value Pts.)

Demonstrate your understanding of the financial obligations of the specific and unique business operations that you are proposing in this response for Lake Berryessa 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.

Criterion B4 (c): Funding and Sources of Funds (5 Value Pts.)

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 (15 Value Pts.)

Offerors need to demonstrate in their financial pro forma that their proposals will result in a level of profit, during the term of the contract that will cover their expenses plus result in an acceptable profit, for Fixed Asset development and operations. This profit consideration is important because the level of compensation, if any, at expiration or termination for facilities owned by the Concession Contractor is unknown and there may be the requirement to remove certain or all of those fixed assets at that time.

Using the reports located at the end of this section (Principal Factor 4 – Attachment No. 3), follow the six guidelines below and provide projected estimates of the revenues and expenses of your proposed Concession business in the form of annual prospective: (1) Pro-Forma Income Statement, (2) Pro-Forma Balance Sheet, (3) Statement of Operating Assumptions; **for the entire proposed term of the contract.** Reclamation has provided reports that request the information in the format that Reclamation desires. These reports may differ from the format and requirements set forth in generally accepted accounting principles (GAAP) with regard to prospective financial statements. In situations where the information requested departs from GAAP, Reclamation requests that the information be provided in the format requested as agreed upon procedures.

Additional instructions regarding the reports:

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 statements provided. 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 reports provided and submit both hard copy **and** Excel Spreadsheet files. Failure to provide all of the information requested on these reports may result in a reduced score. Use the outline included in the Operating Assumptions – Pro-Forma Income Statement form. Revenue estimates should be provided by department, and should calculate directly from the bases presented. 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 revenues and expenses related to the services proposed by the Offeror 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 this flexible approach will likely result in the introduction of numerous business proposals that may not neatly fit in the categories provided in the reports at the end of this

section. Offerors may establish or build-in additional areas within the reports to enter information that they believe necessary for Reclamation to fully understand their unique business proposal for Lake Berryessa; however, Offerors 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’ as a part of the rating panel to specifically analyze all of the above discussed information and business pro-formas as it applies generally within the Recreation Hospitality Industry and specifically to the individual Offeror’s proposal for Lake Berryessa. 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 Offeror’s unique proposal.
3. Offerors who are proposing annual occupancy as provided by the ROD must demonstrate conclusively that revenue derived from AO is essential to the viability of the proposal. Failure to demonstrate the necessity for AO will diminish the evaluation of the Criterion B2(d). Proposed Services.

**BUSINESS CREDIT INFORMATION
(PRINCIPAL FACTOR 4 – ATTACHMENT NO. 1)**

1. Has Offeror or the principals ever defaulted from or been terminated from a management or Concession Contract, or been forbidden from contracting by a public agency or private company?
Offeror must check appropriate box.

YES NO

If YES, provide full details of the circumstances.

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)

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.

3. 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.
4. 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.

**ACQUISITION AND START-UP COSTS
(PRINCIPAL FACTOR 4 – ATTACHMENT NO. 2)**

Acquisition Cost¹ \$ _____

Possessory Interest (Buildings and Structures) \$ _____

Other Incumbent Concession Contractor Property

Furniture, Fixtures and Equipment \$ _____

Merchandise and Supplies \$ _____

Immediate Purchase of New Items \$ _____

Furniture, Fixtures and Equipment \$ _____

Merchandise and Supplies \$ _____

Initial Improvements \$ _____

Initial Replacement of Real Property² \$ _____

Deferred Maintenance² \$ _____

Other Soft Costs³ \$ _____

Initial Working Capital \$ _____

Total Acquisition Cost \$ _____

(1) All Offerors must include their estimate of the value of all property intended, whether planned for acquisition or currently owned, for use in the new contract.

(2) If applicable

(3) Provide detail.

**PRO-FORMA INCOME STATEMENT
 PRO-FORMA BALANCE SHEET AND
 PROSPECTIVE OPERATING ASSUMPTIONS
 (PRINCIPAL FACTOR 4 – ATTACHMENT NO. 3)**

Annual Projections, by Concession Area, by Year, for the Term of the Proposed Contract
 (Putah Creek = PC, Rancho Monticello = RM, Berryessa Marina = BM, Spanish Flat = SF, Steele Park = SP,
 Markley Cove = MC)

PRO-FORMA INCOME STATEMENT

Gross Receipts	PC	RM	BM	SF	SP	MC
(use one column for each site proposed)						
Lodging						
Annual occupancy						
Hotel/Motel						
Cabin						
Other						
Marinas						
Slip Rentals						
Boat Launch						
Marine Fuel						
Houseboat Rental						
All Other Boat Rental						
Other						
Dry Storage						
Covered Garages						
Outside Storage						
Other						
Food and Beverage						
Full Service Restaurant						
Snack Bar/Fast Food						

Other

Retail

- Gift Merchandise
- Marina and Boating Supplies
- Camping and RV Supplies
- Groceries and Sundries
- Other

Camping

- Tent Camping
- RV Camping with Utilities
- RV Camping w/o Utilities
- Other

Day Use Facilities

Other categories may be added.

Total Gross Receipts	PC	RM	BM	SF	SP	MC
Cost of Sales	PC	RM	BM	SF	SP	MC
Lodging						
Marinas						
Dry Storage						
Food and Beverage						
Retail						
Camping						
Day Use Facilities						
Other Categories (Identify)						
Total Cost of Sales	PC	RM	BM	SF	SP	MC
GROSS PROFIT	PC	RM	BM	SF	SP	MC

Direct Expenses	PC	RM	BM	SF	SP	MC
Lodging						
Wages						
Taxes and Benefits						
Other Direct						
(specify line items in assumptions)						
Marinas						
Wages						
Taxes and Benefits						
Other Direct						
(specify line items in assumptions)						
Dry Storage						
Wages						
Taxes and Benefits						
Other Direct						
(specify line items in assumptions)						
Food and Beverage						
Wages						
Taxes and Benefits						
Other Direct						
(specify line items in assumptions)						
Payroll and Benefits						
Other Direct Expenses						
Retail						
Wages						
Taxes and Benefits						
Other Direct						
(specify line items in assumptions)						
Camping/Day Use						
Wages						

Total Fixed Expenses	PC	RM	BM	SF	SP	MC
EBITDA						
Interest Expense						
Depreciation						
Amortization						
Net Profit Before Taxes	PC	RM	BM	SF	SP	MC
Income Tax	PC	RM	BM	SF	SP	MC
Net Income	PC	RM	BM	SF	SP	MC

PRO-FORMA BALANCE SHEET
(PRINCIPAL FACTOR 4 – ATTACHMENT NO. 3)

Annual Projections, by Concession Area, by Year, for the Term of the Proposed Contract
(Putah Creek = PC, Rancho Monticello = RM, Berryessa Marina = BM, Spanish Flat = SF, Steele Park = SP,
Markley Cove = MC)

ASSETS

Current Assets	PC	RM	BM	SF	SP	MC
Cash						
Inventories						
Other						
Total Current Assets	PC	RM	BM	SF	SP	MC
Fixed Assets	PC	RM	BM	SF	SP	MC
Depreciable Fixed Assets (Structures and Improvements)						
Accumulated Depreciation Depreciable Fixed Assets (Personal Property)						
Accumulated Depreciation Other						
Total Fixed Assets	PC	RM	BM	SF	SP	MC
Other Assets (Identify)	PC	RM	BM	SF	SP	MC
Total Assets	PC	RM	BM	SF	SP	MC

Current Liabilities	PC	RM	BM	SF	SP	MC
Current Liabilities						
Accounts Payable						
Current Maturities on						
Long Term Debt						
Other						
Total Current Liabilities	PC	RM	BM	SF	SP	MC
Long Term Liabilities	PC	RM	BM	SF	SP	MC
Long Term Debt						
Total Long Term Liabilities	PC	RM	BM	SF	SP	MC
Equity	PC	RM	BM	SF	SP	MC
Stock Proprietor's Capital						
Retained Earnings						
Total Equity	PC	RM	BM	SF	SP	MC
Total Liabilities and Equity	PC	RM	BM	SF	SP	MC

**OPERATING ASSUMPTIONS – PRO-FORMA INCOME STATEMENT
(PRINCIPAL FACTOR 4 – ATTACHMENT NO. 3)**

Annual Projections, by Concession Area, by Year, for the Term of the Proposed Contract
(Putah Creek = PC, Rancho Monticello = RM, Berryessa Marina = BM, Spanish Flat = SF, Steele Park = SP,
Markley Cove = MC)

REVENUE INFLATION	PC	RM	BM	SF	SP	MC
EXPENSE INFLATION	PC	RM	BM	SF	SP	MC
Short Term Lodging	PC	RM	BM	SF	SP	MC
Cabins, Hotel/Motels, Cottages, etc.						
Annual Room Nights						
Average Room Rate						
Annual Occupancy Lodging	PC	RM	BM	SF	SP	MC
Number of Units Rented						
Average Unit Rate						
Marinas	PC	RM	BM	SF	SP	MC
Number of Slip Months Rented						
Average Monthly Rate for Rental Slip						
Number of Houseboat Days Rented						
Average Daily Houseboat Rate						
Number of Other Boat Days Rented						
Average Daily “Other Boat” Rate						
Number of Annual Boat Launch Passes						
Cost of Annual Boat Launch Pass						

Number of Boat Launches not on Annual Pass
Average Cost of Boat Launch

Number of gallons of Marine Fuel Sold
Average Rate for Gallon of Fuel

Food and Beverage	PC	RM	BM	SF	SP	MC
Number of Covers Sold by Meal Period by Location						
Average Check per Cover by Meal Period by Location						

Retail	PC	RM	BM	SF	SP	MC
Number of Customers						
Average Retail Revenue per Customer						

Dry Storage	PC	RM	BM	SF	SP	MC
Number of Storage Months Rented in Garage						
Average Monthly Rate of Garage Rental						

Number of Unit Months for Outside Storage
Average Monthly Rate for Outside Storage

Camping RV	PC	RM	BM	SF	SP	MC
Number of Campsite Nights Rented (w/o hook-ups)						
Average Nightly Campsite Rate						

Number of RV Nights Rented (with hook-ups)
Average Nightly RV Rental Rate

Day Use	PC	RM	BM	SF	SP	MC
Number of Day Use Permits sold						
Average Day Use Fee						

Other (Identify)	PC	RM	BM	SF	SP	MC
Anything else not covered above that you have proposed and can outline projected revenue.						

PRINCIPAL FACTOR 5

SUCCESSFUL MULTIPLE PROPOSALS

(Total Evaluation Points for Principle Factor # 5 = 20)

Criterion B5 (a) Successful Multiple Proposals (20 Value Pts.)

Throughout the EIS and Planning process for the upcoming next contract term Reclamation has been clear and consistent in the stated preference to have fewer than the current number of seven concession contractors. This preference is based upon the following assumptions:

1. The business opportunity is more robust and healthier if a concession contractor(s) is operating multiple locations. Overhead is reduced and several business efficiencies are introduced that result in a better profit potential for an operator. Any improvement to a concession contractors profit potential also reduces the need to propose an ‘Annual Occupancy’ program as outlined in the ROD and in Criterion B.2.(d) preceding. Reclamation’s contracted Economic Feasibility Analysis indicated that financial success was questionable with multiple Concession Contractors operating independent businesses at Lake Berryessa and that the best opportunity existed with a single Concession Contractor and the associated business efficiencies. Reclamation continues to have concerns with the opportunity for multiple operators to be financially successful and this Criterion and the additional points for multiple proposals is appropriate to address that concern.
2. The ability for an Offeror to respond positively to the ROD’s preference for an integrated business approach (also outlined in Criterion B.2 [d] preceding) is enhanced by an Offeror who also submits additional individual or combined proposals. An Offeror competing for only a single location has limited opportunity to address or impact the overall mix of concession services and facilities at Lake Berryessa through this Prospectus.
3. The potential for an Offeror to phase in various construction program components in a multi-location coordinated approach that impacts public use in a more subtle manner is enhanced by an operator that is administering more than one location. Reclamation’s contracted Economic Feasibility Analysis indicated that phasing in development would be important in helping to assure financial viability.

Any Offeror that submits a combined or multiple individual proposals versus Offerors that submit one single proposal are also taking on a greater initial investment risk and more complex management burden. The more locations an individual or company competes for, the greater the risk and complexity i.e. a company competing for 5 locations is potentially assuming a somewhat greater burden than a company competing for 3 locations.

Therefore in recognition of the preceding 3 positive factor concerns for submitting proposals on and potentially operating multiple locations, and in recognition of the increased financial requirements and management challenges, Reclamation will provide added ‘Value Points’ to bona fide proposals that include multiple locations. These added ‘Value Points’ are on an escalating basis as outlined in the following ‘Scoring Options’ examples. A bona fide proposal will be one that is judged by Reclamation, during the evaluation process, to be a proposal that is economically feasible and is otherwise judged responsive and in compliance with all of the requirements outlined in Part A and Part B of this section (PART 5) of the Prospectus.

Scoring Options for Offerors Competing for Multiple Locations

Competing for 1 Location = 1 Pts

Competing for 2 Locations = 3 Pts.

Competing for 3 Locations = 6 Pts.
Competing for 4 Locations = 9 Pts.
Competing for 5 Locations = 14 Pts.
Competing for 6 Locations = 20 Pts.

These points will be assigned to each proposal and property being compared that an individual Offeror submits whether combined or individual.

Example #1: Offeror A submits 4 individual (not 4 combined) proposals and they are each judged to be economically feasible and responsive to the Prospectus. This Offeror would receive 9 ‘value points’ on this Criterion B.5.(a) on each of their 4 individual proposals. IF one of the 4 individual proposals was judged to be either economically unfeasible or non-responsive in some other manner then the Offeror would only receive 6 ‘value points’ on each of the three responsive proposals.

Example #2: Offeror B submits a single consolidated proposal (not 5 individual proposals) that covers 5 of the identified concession areas. If this proposal is judged to be economically feasible and responsive to the Prospectus then this proposal would receive 14 ‘value points’ on this Criterion B5.(a). This also means that when Reclamation is comparing any one of the 5 locations in Offeror B’s proposal i.e. Spanish Flat, against any other individual or combined Offeror that also including Spanish Flat, that the same 14 points apply.

Further Explanation: If the above two examples are combined and compared against one another and both Offeror A and B’s proposal includes a component for Spanish Flat and they are all judged responsive and feasible then Offeror A will get the 9 ‘Value Points’ in that comparison for competing for 4 locations and Offeror B will get 14 ‘Value Points’ for competing for 5 locations. If all the remainder of the possible points totaled the same then Offeror B would have an overall score of 5 points higher on the Spanish Flat component. The same scenario would hold true for rating each of their other individual or combined proposal components for locations they have both submitted for or in comparison to others with any of the same locations for which they have submitted.

As already outlined in this section and elsewhere in the Prospectus the opportunity to be considered for just a single concession opportunity is a valid and acceptable approach and there is no deduction in points for such a proposal. This single proposal opportunity is covered as an acceptable approach in the ROD. It is recognized that many Offerors may not have the financial assets or the operational desire to make a proposal for more than a single operation and such an approach is welcome. The extra ‘Value Points’ available in this Criterion B.5.(a) range between 1 points and 20. The extra ‘Value Point’ opportunity for Offerors on multiple properties recognizes the three concerns identified above in this criterion and the added managerial effort and financial risk assumed by any such Offeror.

Offerors proposal should demonstrate a complete recovery of investment with profit during the term of this contract. This is important because there is no assurance that the concession operation will continue after the expiration of the contract. Proposals will be evaluated in part based on how the Offerors present the cost recovery and profit.

PRINCIPAL FACTOR 6

FINANCIAL BENEFIT TO THE GOVERNMENT (Total Evaluation Points for Principle Factor # 5 = 10)

Criterion B6 (a) Franchise Fee (10 Value Pts.)

Offerors are expected to propose a franchise fee structure as a part of their bid. Not only do Offerors 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 consider a wide range of franchise fee approaches including a minimum fee of 1 percent (1%) if properly supported.

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(s) at Lake Berryessa to provide funding for various improvements that will be proposed by any successful Offeror(s). Everything being equal between two bids, a higher franchise fee will be considered a superior bid than a lower fee. Reclamation will very closely review franchise fee proposals in conjunction with the overall financial pro-formas submitted in response to this Prospectus. Proposals that are judged to be unsupported 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 and providing appropriate recognition of the business opportunity being provided by the Government.

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 Offeror 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. Such an approach could be structured to present two or three different revenue target levels that would trigger franchise fee increases. 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.

This Principal Factor has a maximum value of 10 points. An Offeror that bids the 1% minimum franchise fee for the term of the contract would be unlikely to be awarded more than 1 point out of the possible 10 unless other superior and significant non-revenue actions are proposed, i.e. creative environmental programs, non-commercial interpretive efforts, unique infrastructure demands, special programs with local schools, etc. It is not possible to indicate what type of a proposal would potentially receive the maximum of 10 points because of the wide range of possibilities. It is incumbent upon Offerors to point out what they believe to be special considerations when submitting their proposal.

Please review Section P of PART 4 and Section 6.A of the Draft Concession Contract (PART 6) for additional background on this Principal Factor subject.