

Part I

BUSINESS OPPORTUNITY

Lodging, Campground,
Food and Beverage, and Retail Services

at Cedar Pass

within

Badlands National Park

National Park Service

Department of the Interior

Concession Contract No. CC-BADL001-25



TABLE OF CONTENTS

INTRODUCTION 1

 SITE VISIT 1

 NOTIFICATION OF INTENT TO PROPOSE 1

 INFORMATION REGARDING THIS SOLICITATION 2

 PROPOSAL OVERVIEW 3

 DOING BUSINESS WITH THE SERVICE 4

 THE NATIONAL PARK SERVICE AND ITS MISSION 4

BADLANDS NATIONAL PARK 5

CONCESSION OPPORTUNITY 7

 DRAFT CONTRACT TERM AND EFFECTIVE DATE 7

 REQUIRED AND AUTHORIZED SERVICES 7

 OVERVIEW OF REQUIRED SERVICES 7

 LODGING 8

 CAMPGROUND 8

 FOOD AND BEVERAGE 9

 RETAIL 10

 REVENUE ASSUMPTIONS 11

 EXPENSE ASSUMPTIONS 13

 MINIMUM WAGE 13

 UTILITIES EXPENSES 13

 OTHER OPERATING CONSIDERATIONS 13

 POTENTIAL IMPACT ISSUES 13

INVESTMENT ANALYSIS 14

 DEFERRED MAINTENANCE 14

 CONCESSION FACILITIES IMPROVEMENT PROGRAM 14

 PERSONAL PROPERTY IMPROVEMENT REQUIREMENT 15

 MAINTENANCE 16

 MINIMUM FRANCHISE FEE 17

 LEASEHOLD SURRENDER INTEREST 17

 NO PREFERRED OFFEROR 17

HISTORICAL CONCESSION DATA 17

 BADLANDS NATIONAL PARK VISITATION 18

 HISTORICAL FINANCIAL INFORMATION 18

MARKET AREA OVERVIEW 19

 LOCAL COMPETITIVE MARKET 19



INTRODUCTION

Site Visit

Originally announced on SAM.gov on August 26, 2024, the Service hosted a pre-solicitation site visit for interested parties on September 24, 2024. The *Pre-Solicitation Site Visit Business Opportunity Summary* is available upon request. Due to changes in Draft Contract, the Service will hold another site visit on January 7, 2025, for interested parties.

Attendance at the site visit is not required to submit a proposal for the Prospectus. The NPS will host an additional site visit for this business opportunity.

Notification of Intent to Propose

If you plan to submit a proposal in response to this solicitation, you must notify Eric Nikkel, Commercial Services Management Specialist, NPS Regional Office Serving Interior Regions 3, 4, 5, via email at eric_nikkel@nps.gov by the date and time listed on the inside front cover of this Prospectus. The Service will not accept proposals from entities that do not provide notice on or before this deadline.

Summary of Term and Conditions of the CC-BADL001-25 Opportunity

Location

Badlands National Park

Draft Contract Term

10 Years

Projected Effective Date

November 1, 2025

Required Services

Lodging, Campground, Food and Beverage, and Retail Services

2026 Projected Gross Receipts

\$3.74 million to \$4.14 million

Estimated Initial Investment

\$1.715 million

Estimated CFIP Investment

\$523,000

Estimated PPIR Investment

\$270,000

Minimum Franchise Fee

1.0% of gross receipts for gross receipts from \$0 to \$4,000,000; plus

3.8% of gross receipts for gross receipts greater than \$4,000,000

Component Renewal Reserve

3.3% of gross receipts



Information Regarding This Solicitation

The Prospectus describes in general terms the existing business operation and the business opportunity for services allowed pursuant to Concession Contract No. CC-BADL001-25 (“Draft Contract”). It consists of five parts:

- I. Business Opportunity (this document)
- II. Proposal Instructions
- III. Proposal Package
- IV. Draft Concession Contract Including Contract Exhibits
- V. Appendices Table of Contents

This Prospectus includes Service estimates of revenue and expenses to assist Offerors in developing financial projections. These estimates reflect Service assumptions based on planning decisions, historical concession operating data, lodging, camping, food and beverage and retail industry standards, economic conditions, and comparable and competitive operations. The Service does not guarantee these projections will materialize and assumes no liability for their accuracy. Offerors must compile and present their own financial projections based on independent assumptions, due diligence, and industry knowledge.

Offerors must review all sections of this Prospectus, especially the terms and conditions of the Draft Contract, including its exhibits (Part IV), to determine the full scope of a future concessioner’s responsibilities. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the Draft Contract will control.

Certain federal laws apply to this solicitation including the National Park Service Concessions Management Improvement Act of 1998 (Title IV, Public Law 105-391, and hereafter referred to as “the 1998 Act”), as amended, and its implementing regulations at 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. 36 C.F.R. Part 51 is available at the [Government Printing Office’s Electronic Code of Federal Regulations website](#)¹.

Parts I, II, and III refer to Badlands National Park as “the Park.”

“Concessioner” refers to the entity that will be the concessioner under the Draft Contract.

“Existing Concessioner” refers to Aramark Sports & Entertainment Services, LLC, the concessioner under Temporary Concession Contract TC-BADL001-22 (“Existing Contract”). The term of the Existing Contract is from November 1, 2022, to October 31, 2025. Badlands Lodge, LLC was the concessioner for the Prior Long-term Concession Contract CC-BADL001-09, which was effective from November 1, 2009, through December 31, 2022. See the Appendices Table of Contents for how to request a copy of the Existing Contract.

The Service intends to award the Draft Contract around August 1, 2025, or around three months prior to the anticipated effective date of November 1, 2025. The Concessioner will commence visitor services around April 15, 2026. Visitor services are fully open during the minimum operating season from mid-April through mid-October. The Service intends to announce the selected Offeror around July 1, 2025, or around one month prior to award. This should give the selected Offeror the opportunity to observe the winterization of facilities prior to the seasonal closure. Award of a concession contract does not occur until the competitive process has been completed and both the selected Offeror and the Service have signed the concession contract. While the Service will make every effort to meet this schedule, it is subject to change.

¹<https://www.ecfr.gov/current/title-36/chapter-I/part-51>



Proposal Overview

Part II of this Prospectus contains the instructions for submitting proposals. The Service will only accept digital versions of proposals received in response to this solicitation submitted electronically per instructions, except for the submission of the "Offeror's Transmittal Letter," which the Offeror must also send as a hardcopy with original signature. Offerors must carefully read and comply with instructions provided in Parts II and III of the Prospectus.

Part III of this Prospectus contains the proposal package Offerors must complete in its entirety. The proposal package contains a required transmittal letter, five principal selection factors, and three secondary selection factors. Each selection factor identifies the minimum and maximum points the Service may award depending on the quality of the response. The following paraphrases the information sought under each selection factor. The wording of the actual selection factors controls.

Principal Selection Factor 1 requires Offerors to describe how they will protect, conserve, and preserve the resources of the Park. First, Offerors must describe how they will address maintenance planning and projects, describe how they will manage the required Concession Facilities Improvement Program (CFIP) project, and provide an example of experience completing a complicated construction project.

Principal Selection Factor 2 requires Offerors to describe how they would improve the visitor experience through improvements and adjustments to food and beverage service.

In Principal Selection Factor 3, Offerors must describe their organizational structure and provide documentation to help the Service understand the Offeror and its relationship to other entities. The Service does not score the first portion of Selection Factor 3 but may use it to understand responses elsewhere in a proposal. Incomplete submissions may lead to a lower score elsewhere if the information submitted does not support claims made in response to specific subfactors in this and other selection factors. The Service provides forms Offerors must complete depending on their organizational structure. The rest of this principal selection factor, which is scored, requires Offerors to describe their experience providing similar services, strategies for employee recruitment and retention, and history of violations or infractions and overall strategy to minimize and resolve them.

In Principal Selection Factor 4, Offerors must provide documentation demonstrating that they have the financial resources to commence and carry-on operations under the Draft Contract, including a business history form. Offerors also must complete the provided Excel workbook and provide other information to demonstrate an understanding of the operations under the Draft Contract.

In Principal Selection Factor 5, Offerors provide the franchise fee they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay at least the minimum franchise fee set out in this selection factor will result in the Service finding the proposal non-responsive and ineligible for award of the Draft Contract.

Secondary Selection Factor 1 requires Offerors to describe how they would reduce solid waste and implement water conservation strategies.

Secondary Selection Factor 2 requires Offerors to describe the features and amenities they will provide in lodging units and the campground.

Secondary Selection Factor 3 requires Offerors to describe how they plan to collaborate with Federally Recognized Tribes at Badlands National Park.



Doing Business with the Service

The Service has worked with private parties to provide services to visitors dating back to the earliest times of national parks. Many of the iconic lodges and other structures found in America's national parks were constructed and operated by private parties, and that relationship continues today.

We use the term "commercial visitor services" when generally describing services, benefits, and goods provided to visitors within an area of the National Park System by a third party for a fee. Simply put, the term "commercial visitor services" includes lodging, food and beverage, retail, marina operations, guided recreation, rental of equipment, experiential transportation, and similar services the National Park Service itself does not provide. Congress has passed several laws guiding the Service in contracting with third parties to provide these services, including the 1998 Act. The Service implemented regulations for many aspects of the law, primarily to set out the process for soliciting bids for new contracts and managing concessioners' investment in structures owned by the United States.

Working with the Service in providing commercial visitor services differs from operating outside a park in several respects. By law, we approve rates to ensure park visitors do not pay higher fees for goods and services merely because such transaction occurs within a park. Section 3)(B) of Exhibit B Operating Plan to the Draft Contract lists the rate methods for all visitor services. As with the private sector, concessioners must develop and follow environmental management programs, risk management programs, and similar programs to ensure operations comply with applicable laws. Service employees review the quality of concession operations and compliance with contract requirements including the maintenance of facilities.

Even with those regulatory actions, concessioners in national parks enjoy significant benefits. Many parks function as unique visitor destinations. Concessioners frequently operate with few, if any, in-park competitors, even though we do not grant exclusive rights to provide any visitor services. Although we approve rates, our processes ensure the rates are competitive with similar services near the operating locations. Our contract oversight reflects the best management practices of the private sector industries. We developed operating standards based on similar ones in the private sector to reflect best industry practices for the services provided under the concession contracts.

The National Park Service and its Mission

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation stated that Congress created America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein, and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. Pub. L. No. 64-235, § 1 (codified at 54 U.S.C. § 100101(a)).

Additionally, Congress has declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. Pub. L. No. 91-383, § 1 (codified at 54 U.S.C. § 100101(b)).

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the Service, visit www.nps.gov. The website includes information about the Service's mission, policies, and information on individual park units.



BADLANDS NATIONAL PARK

Badlands National Monument was established in 1939; it was redesignated Badlands National Park (“Park”) in 1978.

The Park encompasses 244,000 acres of buttes, spires, and rolling grasslands and is situated roughly 75 miles southeast of Rapid City, South Dakota. It is part of the largest undisturbed mixed-prairie rangeland remaining in the United States. Within the Park is 64,000 acres of pristine National Wilderness, home to bighorn sheep, coyotes, black-footed ferrets, swift foxes, bison, and mule deer.

The Park’s geological and paleontological resources provide insight into climatic history, biological diversity, evolution, and geological processes. The Park contains spectacular scenery, predominantly highly eroded landforms that comprise a concentrated collection of rutted ravines, serrated towers, pinnacles, and precipitous gulches.

The Park is located within a human heritage area that traces its history from prehistoric hunters and gatherers to today’s tribes of the Great Sioux Nation, and later homesteaders, ranchers, and farmers. The Lakota knew the place as *mako sica*, which means “bad lands.” Early French trappers called the area *les mauvaises terres a traverser*, meaning “bad lands traverse.”

Approximately one million people visit the Park annually to enjoy the broad variety of experiences it has to offer, such as hiking, camping, photographing landscapes and wildlife, and viewing the Badlands from different vantage points. The Park is open year-round; however, most commercial services operate only between May and October. Park visitation is highest between Memorial Day and Labor Day.

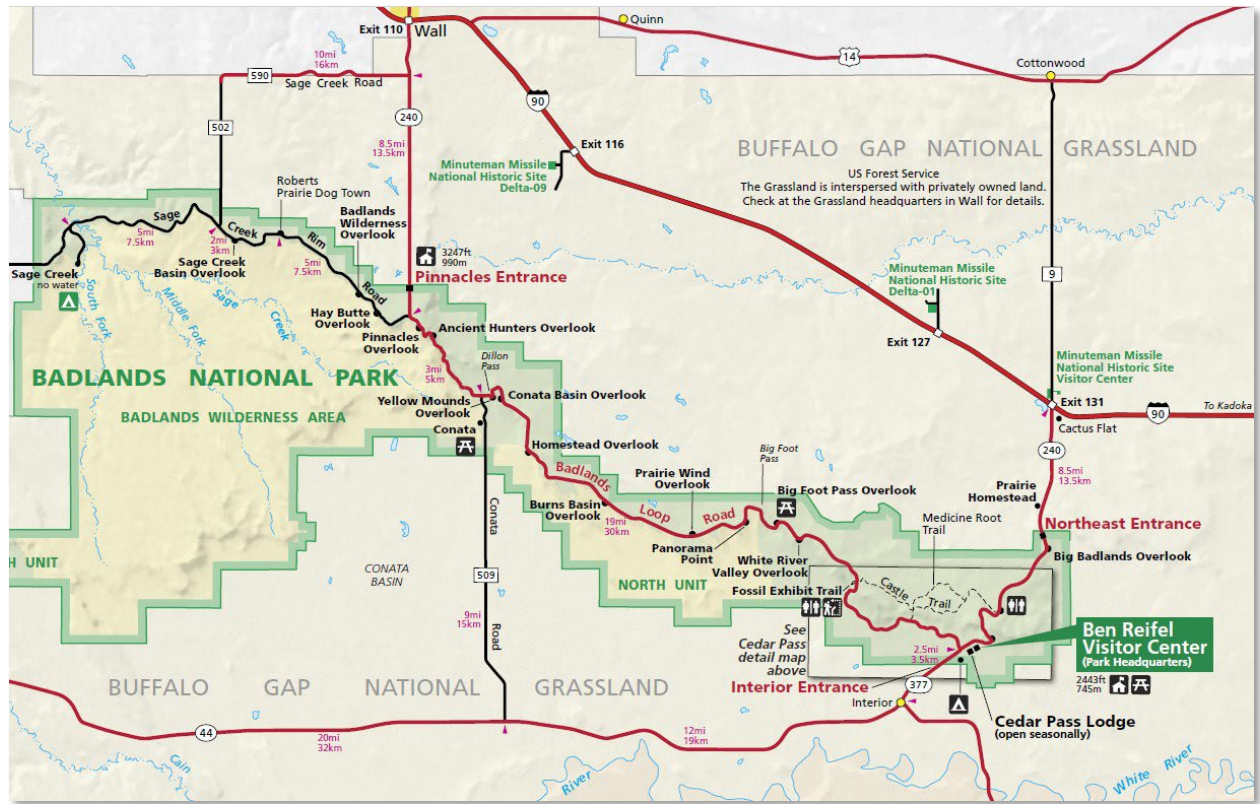
To carry out the core mission of resource protection and visitor service, the Park relies on a wide range of assistance from partner organizations, stakeholder groups, park volunteers, and a very active and involved citizenry. The Oglala Lakota Tribe jointly manages the Badlands South Unit and the White River Visitor Center on the Pine Ridge Indian Reservation.

The Service’s official nonprofit partner, the Badlands Natural History Association, has a retail outlet at the Ben Reifel Visitor Center and uses revenues to support education and research, provide interpretive information and programs, and fund training and staffing.

Exhibit 1 on the following page presents a map of the North Unit of the Park, including Cedar Pass Lodge, which is located between the Interior entrance and the Ben Reifel Visitor Center (“existing visitor center”). Additional information about the Park can be found at www.nps.gov/badl.



Exhibit 1. Map of Badlands National Park – North Unit



Source: National Park Service

CONCESSION OPPORTUNITY

The Draft Contract requires the Concessioner to provide lodging, campground, food and beverage, and retail services at Cedar Pass Lodge (“Lodge”) during the operating season from mid-April through October each year. When operations are closed (November through mid-April), the Concessioner must maintain sufficient staff on-site to care for the assigned facilities.

During the term of the Draft Contract, the Service anticipates funding the construction of a new visitor center that will replace the existing visitor center.

Draft Contract Term and Effective Date

The Draft Contract has a term of **ten (10) years** with an effective date of November 1, 2025. The effective date of the Draft Contract may change prior to award if necessary; however, in such event, the Service will change the expiration date of the Draft Contract, if necessary, to provide ten operating seasons. In addition, the Service may shorten the contract term if the Concessioner does not complete the required Concession Facilities Improvement Program (discussed later in this document) within the required timeframe.

Required and Authorized Services

The Draft Contract includes the following required and authorized services.

Exhibit 2. Required Services of the Draft Contract

Service	Location
Lodging	Cedar Pass
Campground	Cedar Pass
Food and Beverage	Cedar Pass
Retail	Cedar Pass

Exhibit 3. Authorized Services of the Draft Contract

Service	Location
Electric Vehicle Charging Stations	Cedar Pass

NOTE: During year one of the Draft Contract, food will be prepared in a concessioner furnished temporary kitchen while the mandatory stabilization is made to the kitchen in the Lodge building. Retail, lodging check-in, and administrative offices will remain in the Lodge building beginning in year one until the renovation of the existing visitor center. In year two of the Draft Contract food preparation will return to the Lodge building and will remain until the renovation of the existing visitor center. The timeline for this move is still to be determined but the Service anticipates it will occur no sooner than year 5 of the Draft Contract. The Concessioner will not be responsible for renovation costs at the existing visitor center, but the Service requires the Concessioner to invest in upgraded personal property at that location (see Personal Property Improvement Requirement #2 below).

Overview of Required Services

A summary of each of the required services is provided below. Offerors should reference the Draft Contract and its exhibits for additional information. Minimum operating hours are specified in the Draft Contract Exhibit B Operating Plan in the appropriate section for each service type and location. Rate approval methods for



Concession services are summarized below, and all rate approval methods are specified in the Draft Contract Exhibit B Operating Plan Section 3 Rate Determination and Approval Process.

Lodging

Under the Draft Contract, the Concessioner will operate 27 lodging units, consisting of 20 units in stand-alone cabins, 6 units in three duplex cabins, and 1 recently renovated two-bedroom “cottage unit.”

The existing cabin units were built to Gold Level LEED standards and were placed on site in the Park in 2013. Cabin exteriors were designed to resemble the original cabins built in 1928 at Cedar Pass, using repurposed materials and energy-saving features. Interiors are lined with fallen pine from the Black Hills of South Dakota, and furniture is regionally handcrafted lodgepole pine. Cabins have different configurations featuring two lodgepole pine Queen beds or a King bed and a daybed/futon. All cabins have a private bath and shower, air conditioning and heat, refrigerator, microwave, coffeemaker, and flatscreen television.

Lodging check-in is located in the main Lodge building on the Highway 240 Loop Road between the existing visitor center and the Interior Entrance to the Park. Food and beverage and retail services are also available in the main Lodge building, as described in the following sections.



Under the Draft Contract, the Service will authorize (but not require) the Concessioner to construct up to 10 additional lodging units, like the 26 existing cabin units, in a combination of stand-alone and duplex cabins. If the Concessioner chooses to construct the new units, it must work with the Service to undertake all necessary compliance and obtain all necessary approvals and permits as required by the Draft Contract, including exhibits. Compliance may determine that fewer than 10 new units can be constructed in the existing land assignment. As this potential project is authorized and not required of the Concessioner, the Service has not included financial projections associated with additional cabins in its analysis.



Lodging Rates

Under the Existing Contract, the Service approves the maximum nightly rates for lodging using the Comparability rate approval method. Under the Draft Contract, the service will use Competitive Market Declaration (CMD) rate approval method for all lodging rates. For more information see Draft Contract, Exhibit B (Operating Plan), the NPS Rate Administration Guide, and the 2024 Rate Administration Guide Addendum. A copy of the Rate Administration Guide and Addendum is available on the NPS Commercial Services website.

Campground

The Existing Concessioner operates a total of 96 individual campsites and 4 group sites within Cedar Pass Campground. 22 of the 96 individual sites are designated for RVs and have 30-amp or 50-amp electric hookups only. There are no water or sewer hookups, but there is a lift station operated by the Park.



Under the Draft Contract, the number of individual sites available to visitors will be reduced to 81, as fourteen sites will be removed from the campground inventory due to intermittent flooding, and one site will be reserved for the campground host.

The Draft Contract assigns shaded picnic tables at each campsite. Fires are not allowed within the Park, but campers may bring small, portable propane grills for cooking. There are bathrooms and pay showers within the campground.

Cedar Pass Campground is located near the amphitheater for evening programs during the summer, and there is easy walking access to the restaurant at Cedar Pass Lodge.



The campground is open, weather permitting, during the entire mid-April through mid-October operating season. The group campsites remain open year-round, and the Concessioner is required to keep one campground bathroom open throughout the year, cleaned at least once daily or more if necessary.

Under the Draft Contract, the Service will authorize (but not require) the Concessioner to install up to five rustic camper cabins in the campground. If the Concessioner chooses to install the rustic camper cabins, it must work with the Service to undertake all necessary compliance and obtain all necessary approvals and permits as required by the Draft Contract, including exhibits. Compliance may determine that fewer than 5 rustic camper cabins can be installed in the existing land assignment. As this potential project is authorized and not required of the Concessioner, the Service has not included financial projections associated with additional rustic camper cabins in its analysis.

The Service may, during the term of the Draft Contract and subject to completing a compliance process, create a new campground loop to replace sites that will be closed due to flooding and assign the new campground loop to the Concessioner. If developed, the Service would be responsible for costs associated with new site development and will schedule work to minimize impact on the rest of the campground. The anticipated total number of sites in the campground after the addition of the loop would be approximately 96.

Campground Rates

Under the Existing Contract, the Service approves the maximum nightly rates for campsites using the Comparability method. Under the Draft Contract, the Service will use the CMD rate approval method for all campground sites and showers.

Food and Beverage

The Cedar Pass Lodge Restaurant was historically open for all three meal periods during the operating season. It offered breakfast items in the morning as well as hot and cold sandwiches, burgers, wraps, and entrees including local favorites such as the Indian taco during lunch and dinner. There are approximately 100 indoor seats in an approximately 1,300 square-foot dining area.





A recent condition assessment of the main Lodge building determined that the kitchen and kitchen basement require stabilization. The kitchen and kitchen basement are currently closed for this reason. During the first year of the Draft Contract term (in 2026), the Service will require the Concessioner to stabilize and rehabilitate the kitchen and kitchen basement areas of the main Lodge building (**CFIP Project #1**).

During the first operating season under the Draft Contract (2026), the Service will require the Concessioner to provide food service out of temporary facilities that the Concessioner will furnish.

The Service anticipates that the Concessioner will be able to resume kitchen and restaurant operations within the main Lodge building at the beginning of the second operating season (2027).

Under the Existing Contract, the restaurant is classified as Family Casual, but the Service will allow the Concessioner under the Draft Contract greater flexibility to offer different food and beverage service types (including Fast Casual and/or Quick Service).

The Proposal Package (Part III of this Prospectus) asks Offerors how they will reconfigure space and service types within the main Lodge building in order to efficiently serve more visitors, reduce turn-away, and provide seating. The Concessioner must maintain at least the existing amount of square footage dedicated to restaurant seating.

The Draft Contract includes a Personal Property Improvement Requirement (**PPIR Project #1**) for food service equipment and furniture associated with reconfiguring the existing retail space adjacent to the restaurant. As noted in Principal Selection Factor 2 of the Proposal Package, there are restrictions on the amount of weight that the building's floor can bear. The Service anticipates that PPIR #1 will not involve heavy coolers or equipment that cannot be supported by the floor. The Service anticipates that the Concessioner will undertake CFIP Project #1 and PPIR Project #1 simultaneously during the first year of the Draft Contract term.

When concession services move from the main Lodge building to the existing visitor center, the Service anticipates there will be slightly more square footage allocated to food and beverage service than the current space allocation. The timeline for this move is still to be determined but the Service anticipates it will occur no sooner than year 5 of the Draft Contract. The Concessioner will not be responsible for renovation costs for the existing visitor center. **PPIR Project #2** requires the Concessioner to invest in upgraded personal property for the move to the existing visitor center.

Food and Beverage Prices

Under the Existing Contract, the Service approves Food and Beverage prices using the Core Menu rate method, this rate approval method will continue under the Draft Contract, due to travel time to significant competitive markets.

Retail

The retail sales floor (gift shop) within the main Lodge building consists of approximately 3,800 square feet, and the Existing Concessioner operates retail services during the entire operating season.



In the sales area immediately adjacent to the dining room, the Existing Concessioner offers Park-themed apparel, gifts and souvenirs, and children's items. There is a counter featuring Native American handicrafts and jewelry near the front entrance to the building. In the alcove immediately to the left of the reception desk, the Existing Concessioner offers limited grab-and-go food and beverages, camping supplies and convenience items. In the large sales area to the left of the front doors of the building and adjacent to the public restrooms, the Existing Concessioner offers a variety of products including gifts and apparel, locally made items, and home décor.



As part of **PPIR Project #1**, the Service anticipates that the Concessioner may reduce space in the Lodge that it allocates to gifts, souvenirs, apparel, and other retail categories in order to accommodate additional food and beverage service, including space for grab-and-go food and beverage personal property assets.

The nonprofit Park's cooperating association (Badlands Natural History Association) has a retail outlet in the existing visitor center featuring books and educational items. The Service anticipates there will be a similar retail outlet selling educational items and books operated by the Park's cooperating association in the newly constructed visitor center.

When concession services move from the main Lodge building to the existing visitor center, the Service anticipates there will be slightly less square footage allocated to retail service than the current space allocation. The timeline for this move is still to be determined. The Concessioner will not be responsible for renovation costs for the existing visitor center. **PPIR Project #2** requires the concessioner to invest in upgraded personal property for the move to the existing visitor center.

Retail Prices

Under the Existing Contract, the Service approves most merchandise prices using the CMD rate approval method, while convenience items are subject to the Mark-up rate approval method. Under the Draft Contract, rates for convenience items will be Core Retail, which is more appropriate for convenience items. The remaining merchandise will use the CMD rate approval method.

Revenue Assumptions

In developing prospective revenue estimates, the Service assumed changes from historical revenue due in part, but not limited to, the following:

- Competitive Market Declaration (CMD) for lodging and camping rates.
- Expanded food and beverage service area, space reconfigurations, and food service changes.
- Reduced retail sales area due to the expansion of the food service area identified in PPIR Project #1.

The Service assumed no utility add-ons in its revenue projections.

Estimated Projections by Department

The following exhibit provides a summary of projected departmental revenues for the first operating season under the Draft Contract (2026), and the sixth operating season (2031). The CFIP project must be completed prior to April 2027 (see Investment Analysis section), and the move to the existing visitor center and associated PPIR



expenditure is anticipated to occur by 2030, so all year 2031 figures below include estimated revenue impacts from these improvements.

Exhibit 4. Summary of Projected Departmental Revenues

Department	2026	2031
Lodging	\$1,067,000 - \$1,179,000	\$1,406,000 - \$1,556,000
Campground	\$456,000 - \$504,000	\$542,000 - \$598,000
Food and Beverage	\$646,000 - \$714,000	\$1,177,000 - \$1,301,000
Retail	\$1,659,000 - \$1,833,000	\$1,676,000 - \$1,852,000
TOTAL REVENUES	\$3,827,000 - \$4,230,000	\$4,801,000 - \$5,307,000
Less: Deductions*	\$83,000 - \$92,000	\$84,000 - \$93,000
GROSS RECEIPTS	\$3,744,000 - \$4,138,000	\$4,717,000 - \$5,214,000

* Authorized deductions (exclusions) are listed in the definition of "gross receipts" in Sec. 2 of the Draft Contract.

The following exhibits provide a breakdown of projections of operating statistics by department.

Exhibit 5. Projected Lodging Operating Statistics

Cedar Pass Lodge	2026	2031
Available Room Nights	4,995	4,995
Occupied Room Nights	4,250 - 4,470	4,250 - 4,470
Occupancy Rate	85% - 90%	85% - 90%
Average Daily Rate (ADR)	\$251 - \$264	\$331 - \$348

Exhibit 6. Projected Campground Operating Statistics

Cedar Pass Campground	2026	2031
Available Site Nights	14,985	14,985
Occupied Site Nights	11,700 - 12,300	12,000 - 12,600
Occupancy Rate	78% - 82%	80% - 84%
Average Daily Rate (ADR)	\$39.00 - \$41.00	\$45.20 - \$47.50

Exhibit 7. Projected Food and Beverage Operating Statistics

Food and Beverage	2026	2031
Number of Transactions	27,600 - 29,100	40,100 - 42,200
Average Revenue per Transaction	\$23.40 - \$24.60	\$29.30 - \$30.90

Exhibit 8. Projected Retail Operating Statistics

Retail	2026	2031
Retail Square Feet	3,200	2,500*
Average Revenue per Square Foot	\$520 - \$570	\$650 - \$720

*A reduction in retail space is anticipated after the move of concession services to the existing visitor center.



Expense Assumptions

In developing projected expense estimates, the Service assumed adjustments of certain direct, indirect and fixed expenses to reflect costs associated with the changes in operations. The Service projects that most expenses will be within industry average ranges.

Minimum Wage

The Concessioner must comply with all provisions of Executive Order 14026 of April 27, 2021, (Increasing the Minimum Wage for Federal Contractors) and its implementing regulations, including the applicable contract clause, codified at 29 C.F.R. pt. 23, all of which are incorporated by reference into the Draft Contract. The Service considered the implications of these requirements in the analysis of the minimum franchise fee. Offerors must consider the impacts of these requirements when developing their financial projections.

As stated in 29 C.F.R. Part 23, the United States Department of Labor will increase the actual minimum wage for federal contractors during the term of the Draft Contract each year based on the annual change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Utilities Expenses

The Service will provide wastewater service to the Concessioner. The Concessioner must obtain all other utilities (water, electricity, solid waste, telephone, propane/fuel oil, and internet) from out-of-park suppliers.

The Service charges utility users (including concessioners) the utility systems' operating and maintenance costs and amortized cost of capital improvements to utility systems. The Service has reviewed projected operating and maintenance costs and amortized costs of capital improvements for these utility systems and services and has developed not-to-exceed rates, which are the maximum rates the Concessioner will have to pay during the term of the Draft Contract. The not-to-exceed rate for wastewater charged to the Concessioner for 2026 is \$56.06 per thousand gallons. The not-to-exceed rates for the remainder of the term of the Draft Contract are presented in Draft Contract Exhibit B, Operating Plan. Note: these not-to-exceed rates for wastewater decline in some years of the Draft Contract term due to amortization schedules. The Service has incorporated these not-to-exceed rates into its franchise fee calculation and will not approve a utility add-on.

The Existing Concessioner's wastewater usage was 1,261,000 gallons in 2023.

Other Operating Considerations

There is no in-Park housing for concession employees. The Existing Concessioner provides limited employee housing at nearby hotel and campground properties.

In the Proposal Package, part of Principal Selection Factor 3 asks how Offerors plan to provide employee housing and transportation services.

Potential Impact Issues

Construction of the new visitor center is not anticipated to have an impact on concession revenues. After concession services move from the existing main Lodge building to the existing visitor center, the Service assumes slight impacts to food and beverage and retail revenue due to different space allocations for those services (slightly more square footage for food and beverage, and slightly less square footage for retail).



INVESTMENT ANALYSIS

As shown in the following exhibit, the Concessioner's total estimated required initial investment as projected by the Service is **\$1,715,000 in 2025 dollars**. This includes personal property, inventory, start-up costs, and working capital (investment needed to cover expenses incurred in advance of offsetting revenues). This figure does not include investments associated with the required Concession Facilities Improvement Program or Personal Property Improvement Requirement described later in this section.

The Concessioner will incur start-up costs prior to commencing operations under the Draft Contract. Start-up costs include staff hiring, training that may involve compensation in addition to normal wages, systems implementation, legal support services, and marketing and advertising beyond normal annual expenditures.

The Existing Contract does not require the Existing Concessioner to sell and transfer to its successor other property associated with the concession operations. Even so, the Service has assumed that the Concessioner will either negotiate with the Existing Concessioner to purchase much of the personal property needed for operations or acquire the necessary personal property through other means. A list of the Existing Concessioner's personal property is provided as an appendix to the Prospectus.

The estimated initial investment in personal property (\$915,000) includes all necessary furniture, trade fixtures and equipment to provide required services and administrative functions. It does not include personal property associated with the Concession Facilities Improvement Program or Personal Property Improvement Requirement described below.

Exhibit 9. Estimated Initial Investment

Item	Estimated Amount (2025 Dollars)
Initial Personal Property Investment	\$915,000
Inventory Investment	\$400,000
Initial Leasehold Surrender Interest	\$0
Start-up Costs	\$200,000
Working Capital	\$200,000
Total Initial Investment	\$1,715,000

In addition to the initial investment, there are other required investments in the early years of the Draft Contract. These include curing deferred maintenance and completing the Concession Facilities Improvement Program and the Personal Property Improvement Requirement. Offeror's responses within Principal Selection Factor 4 in the proposal package should address how an Offeror intends to fund these items.

Deferred Maintenance

The Concessioner must address all deferred maintenance (DM) within the first two years of the Draft Contract's effective date for all real property assets assigned under the Draft Contract. The estimated cost for DM is approximately \$232,000, but Offerors should identify and develop their own estimates when evaluating this opportunity. The Concessioner is responsible for curing the DM to the satisfaction of the Service, regardless of whether actual costs exceed the estimates provided or referenced in the Work Order Supplement to the Maintenance Plan).

Concession Facilities Improvement Program

The Concessioner must complete a real property improvement under the Concession Facilities Improvement Program. The Concessioner is required to undertake all the outlined programs and requirements. The Service is requiring this improvement and upgrade with the intent of providing visitors improved food and beverage options.



The required Concession Facilities Improvement Program consists of the following project:

Exhibit 10. Estimated CFIP Construction Costs and Schedule

CFIP Project	Estimated Construction Start Date	Estimated Completion Date	Real Property Investment*	Personal Property Investment*	Total Estimated CFIP/Project Cost*
1) Stabilization and Rehabilitation of Kitchen Area in Main Lodge Building	November 2025	April 2027	\$523,000	\$0	\$523,000
Total Estimated Cost			\$523,000	\$0	\$523,000

*Cost estimates are inflated to the midpoint of construction start and end dates

Stabilization and Rehabilitation of Kitchen Area in Main Lodge Building (CFIP Project #1)

The Concessioner must stabilize and rehabilitate the commercial kitchen area and adjacent spaces in the Main Lodge Building of the Cedar Pass Lodge (Facility Management Software System (FMSS) #27657). The existing foundation walls and configuration will be maintained. The elevated kitchen slab (1,670 square feet) will be removed and replaced. Structural strengthening of the basement portion of the foundation walls will be performed from the basement interior. Helical piles will be installed from inside the kitchen basement. Existing HVAC equipment on the south wall will be relocated. The estimate includes costs related to the abatement of hazardous materials, the removal, replacement and relocation of existing utilities (mechanical, electrical, plumbing), and associated equipment (for general building operation). The project is subject to current International Code Council (ICC) code compliance. The project must be completed prior to the second year of operations under the Draft Contract (no later than April 2027). As the project would constitute a “Major rehabilitation”, as defined in the Draft Contract, Exhibit A, the Service assumes that it will be LSI eligible.

During the year of stabilization, the Concessioner must provide temporary food and beverage facilities (including possibly a substantial tent and temporary kitchen areas, temporary utility connections, etc.). The Concessioner must submit a Temporary Food and Beverage Service Operation Plan for Service review and approval prior to acquisition and installation. Further information about the requirements and limitations of this service and what the Concessioner must include in the plan is outlined in the Draft Contract, Exhibit B, Operating Plan Section 4)(C)(1)(h).

Personal Property Improvement Requirement

The Draft Contract requires the Concessioner to make other personal property improvements. The following exhibit summarizes the cost assumptions associated with this Personal Property Improvement Requirement.

Exhibit 11. Personal Property Improvement Requirement

PPIR Project	Estimated Personal Property Investment (2026 dollars)	Projected Year of Expenditure
1) Modified Food and Beverage Service	\$50,000	2026
2) Upgraded Personal Property for Move to Existing Visitor Center	\$220,000	2030
Total	\$270,000	



Modified Food and Beverage Service (PPIR Project #1)

The Concessioner must reconfigure space in the existing gift shop adjacent to the dining area in order to provide additional food and beverage service types (including quick service and grab-and-go). The objective of this PPIR project is to efficiently serve more visitors and reduce turn-away. The Service assumes the Concessioner will spend approximately \$50,000 in 2026 on displays and furnishings for the area. The lodge building floor cannot support heavy items, and the limited investment amount assumed for this project acknowledges that consideration.

In the Proposal Package (Principal Selection Factor 2), Offerors must describe their plans for making improvements to food and beverage service.

Upgraded Personal Property for Move to the Existing Visitor Center (PPIR Project #2)

The Concessioner must move its retail, food and beverage, lodging check-in, and administrative functions to the existing visitor center after the new visitor center is completed and the existing visitor center is renovated by the Service. The timeline for this move is still to be determined but the Service anticipates it will occur no sooner than year 5 of the Draft Contract. Exhibit D to the Draft Contract will be updated accordingly.

As part of this project, the Concessioner must invest approximately \$220,000 (2026 dollars) in in upgraded retail displays, dining room furniture, office furniture, and other equipment. The Service will not allow the Concessioner to move the existing personal property associated with the restaurant seating area (tables and chairs) to the existing visitor center; the Concessioner must upgrade this furniture as part of this PPIR project.

Additionally, the Draft Contract has other financial requirements that are ongoing through the term of the contract, including the following. Your responses in the proposal package should address these items.

Maintenance**Assigned Facilities**

The Draft Contract, Exhibit D, Assigned Land and Real Property Improvements (Concession Facilities), contains a complete list and maps of assigned land and real property improvements. This exhibit will be updated when the move to the renovated existing visitor center occurs.

Component Renewal Reserve

The Draft Contract requires the Concessioner to establish a Component Renewal Reserve to ensure funds are available to accomplish certain component renewal and replacement activities. Please see Section 10(c) of the Draft Contract for guidance on the terms and conditions of the Component Renewal Reserve. The Service will require the Concessioner to fund the Component Renewal Reserve for the Draft Contract with three-point-three percent (3.3%) of gross receipts as defined in Sec. 2 of the Draft Contract. As further explained in the Draft Contract, the Concessioner must expend sufficient additional monies to maintain and repair the Concession Facilities to the satisfaction of the Director, which may require the Concessioner to expend more than the amount that it pays into the Component Renewal Reserve.

The Service anticipates the following estimated costs for component renewal throughout the term of the Draft Contract. The estimated costs fluctuate year to year due to varying project costs, useful lives of different components ending at different times, and differing numbers of projects depending on the year. The purpose of the anticipated timing and estimated costs presented in this table is to help Offerors more accurately assess and take into account the scope and cost of these activities. However, it does not replace due diligence of the Offeror or impact contract responsibilities as outlined in Exhibit H or the component renewal project processes in Exhibit F2.



Exhibit 12. Estimated Component Renewal Costs by Year

Year	Estimated Component Renewal Costs
2026	\$42,000
2027	\$40,000
2028	\$107,000
2029	\$344,000
2030	\$122,000
2031	\$11,000
2032	\$116,000
2033	\$10,000
2034	\$831,000
2035	\$10,000

Minimum Franchise Fee

Offerors must agree to pay the minimum franchise fee, as set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus), although Offerors may propose higher franchise fees in accordance with terms of the Prospectus.

In determining the minimum franchise fee, the Service, using available lodging, retail and food and beverage industry data, considered the probable value to the Concessioner of the privileges granted by the Draft Contract. This probable value is based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the contract including anticipated revenues and expenses.

The following describes the minimum franchise fee acceptable to the Service for each year of the contract term:

- 1.0% of gross receipts for gross receipts from \$0 to \$4,000,000; plus
- 3.8% of gross receipts for gross receipts greater than \$4,000,000.

Leasehold Surrender Interest

Concessioner will be eligible to obtain LSI as outlined in the Draft Contract and Exhibits A (“Leasehold Surrender Interest”) and F1 (“Concessioner New Construction and Major Rehabilitation Project Procedures”) to the Draft Contract, subject to all requirements set forth therein. The Service assumes that most of the real property investments included in the CFIP are likely to result in LSI.

No Preferred Offeror

The Director of the Service has determined that no preferred offeror for this Draft Contract exists pursuant to the terms of 36 C.F.R. Part 51. This solicitation for commercial visitor services is fully competitive.

HISTORICAL CONCESSION DATA

This section presents information regarding historical visitation, financial, utilization, and operating data to assist Offerors in developing projections for future operations associated with the Draft Contract.

Please note that the COVID-19 pandemic and associated closures impacted operations in 2020 and 2021.



Badlands National Park Visitation

Recreation visitation to Badlands National Park has averaged around 1 million visitors annually over the past decade. Visitation exceeded 1.2 million in 2021 in the second year of the COVID-19 pandemic, as Americans faced international travel restrictions and overwhelmingly visited national parks as well as other domestic destinations. Visitation moderated in 2022 and then grew by approximately 4 percent in 2023.

Exhibit 13. Badlands National Park Recreation Visitation

Year	Recreation Visitors
2014	868,094
2015	989,354
2016	996,263
2017	1,054,325
2018	1,008,942
2019	970,998
2020	916,932
2021	1,224,226
2022	1,006,809
2023	1,046,400

Historical Financial Information

The following exhibit presents gross revenues by department from 2021 to 2023 for the Existing Contract.

Exhibit 14. Existing Contract BADL001 – Historical Gross Revenues by Department

	2021	2022*	2023
Lodging	\$858,451	\$654,502	\$908,008
Campground	\$477,461	\$367,325	\$419,172
Food and Beverage	\$551,799	\$612,194	\$695,023
Retail	\$1,887,417	\$1,632,902	\$1,631,123
Other	-\$950	\$9,571	\$0
Total	\$3,774,177	\$3,276,494	\$3,653,326

*The Existing Concessioner took over operations from Badlands Lodge, LLC after the 2021 operating season. The 2022 operating season was slightly shorter than typical, and data includes adjustments for the shift in fiscal year (including adjustments related to employee meals in the "Other" row).

Exhibit 15. Existing Contract BADL001 – Historical Franchise Fees Paid

	2021	2022	2023
Franchise Fees Paid	\$182,745	\$144,993	\$248,221



MARKET AREA OVERVIEW

Badlands National Park is located in southwestern South Dakota, depicted in the following regional map.

Exhibit 16. Regional Context of Badlands National Park



Local Competitive Market

Lodging and Camping Services

The Frontier Cabins in Wall, South Dakota, which are a few miles north of the Pinnacles entrance to the Park, are the most similar lodging in nearest proximity to Cedar Pass Lodge. There are several other motels in Wall, but none of these have the cabin types offered by Cedar Pass Lodge and the Frontier Cabins. There are privately-run campgrounds in Interior and just to the south on the White River. In the Black Hills (approximately 100 miles to the west), there are a variety of lodging and camping options.

Food and Beverage and Retail Services

There are no other food and beverage outlets in the Park. The nonprofit Park's cooperating association has an outlet in the visitor center that sells educational items and books. There are a couple of small diners and restaurants in Interior and on the road approaching the Northeast entrance from I-90. Wall Drug is an attraction in itself, featuring multiple retail outlets and food options, and it has hundreds of billboards along I-90 and other highways attracting motorists as they approach the town of Wall and the Park. There are also a few other restaurants in Wall, as well as gift shops that feature Badlands merchandise and apparel.



-- END Part I: Business Opportunity --

