

# BUSINESS OPPORTUNITY

## Guided Tours of Historic Buildings Kennecott Mines National Historic Landmark



Wrangell-St. Elias National Park and Preserve

Alaska Region – National Park Service

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## INTRODUCTION

The National Park Service (“Service”) intends to award a concession contract in Wrangell-St. Elias National Park & Preserve, Kennecott Mines National Historic Landmark (NHL), for guided tours of historic buildings within the NHL. Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract WRST018-25. (“Draft Contract”), including its exhibits, to determine the full scope of a future concessioner’s responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (P.L. 105-391), as implemented by the Service in Title 36 of the Code of Federal Regulations (C.F.R.) Part 51. The term “Concessioner” as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term “Existing Concessioner” refers to the Existing Concessioner holding a valid concession contract.

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, the latter will prevail. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the terms of the Draft Contract will control.

### The National Park Service and Its Mission

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

...conserve the scenery and the natural and historic objects and the wildlife 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.  
54 U.S.C. § 100101 (a)

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

...preserved and managed for the benefit and inspiration of all the people of the United States.... 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 National Park Service, visit [www.nps.gov](http://www.nps.gov). This site includes information about the Service’s mission, policies, and information on individual park units.

## Wrangell-St. Elias National Park & Preserve



The Alaska National Interest Lands Conservation Act (ANILCA) established Wrangell-St. Elias National Park and Preserve (Wrangell-St. Elias) in 1980. It is the largest park unit managed by the Service, encompassing nearly 13.2 million acres (20,587 square miles) in south-central Alaska (an area bigger than Maryland, Delaware and Connecticut combined). The land area of Wrangell-St. Elias represents nearly one-third of the total land area managed by the National Park Service.

In addition to being a part of the National Park System, the United Nations recognized Wrangell-St. Elias as part of a 24-million-acre UNESCO World Heritage Site which includes parts of nearby Glacier Bay National Park (Alaska), Kluane National Park (Canada), and Tatshenshini – Alsek Provincial Wilderness Park (Canada). Nearly 10 million acres within the park are designated and managed as a wilderness, making this the largest wilderness area within the National Park System.

Per ANILCA, Wrangell-St. Elias is managed for the following purpose, among others:

*To maintain unimpaired the scenic beauty and quality of high mountain peaks, foothills, glacial systems, lakes, and streams, valley, and coastal landscapes in their natural state; to protect habitat for, and populations of, fish and wildlife including but not limited to caribou, brown/grizzly bears, Dall Sheep, marine mammals, and to provide continued opportunities, including reasonable access for mountain climbing, mountaineering, and other wilderness recreational activities. ...*

## Kennecott Mines National Historic Landmark

Listed on the National Register of Historic Places in 1978 and designated as a National Historic Landmark (NHL) in 1986, Kennecott is considered the best remaining example of early 20th Century copper mining.

In 1988, Friends of Kennecott, a diverse, locally based non-profit organization worked to conduct emergency stabilization of important structures such as the Concentration Mill. In 1998 the NPS acquired many of the significant buildings and lands within the historic mill site of Kennecott.



The mill site is an extraordinary relic from America's past. The impressive structures and artifacts that remain represent an ambitious time of exploration, discovery, and technological innovation. They tell stories of westward expansion, World War I politics and economy, the lives of men, women, and children who lived there, and the rise of a multinational corporation.

### **Preferred Operators and Preferred Offeror Determinations**

There are 3 types of preferences applicable to this Prospectus, two arising from the Alaska National Interest Lands Conservation Act (ANILCA), Section 1307 (16 U.S.C. 3197), and one arising from the National Park Service Concessions Management Improvement Act (P.L. 105-391) Section 403 (54 USCS § 101913). The rights of ANILCA preferred operators take precedence over the Existing Concessioner's statutory right of preference (36 CFR 13. 13.315 (c)). The preferences are described below:

- 1) ANILCA Section 1307 - provides two separate preferences for preferred operators, which are defined as; 1) Native Corporations determined to be most directly affected by the establishment of Wrangell- St. Elias National Park and Preserve; and 2) local residents (see Proposal Instructions for definition of local resident).
- 2) National Park Service Concessions Improvement Act (P.L. 105-391) - the Existing Concessioner has operated successfully and satisfactorily during the Existing Contract and may be a competitor for the Draft Contract. As a satisfactory operator with annual gross receipts of less than \$500,000, the Existing Concessioner has a statutory right of preference to the award of a new Draft Contract as provided for in 54 USCS § 101913 and in 36 CFR Part 51.

All Offerors should thoroughly read the Proposal Instructions for more information about these preferences. Regardless of any potential preference status, responsive proposals must be received by the time and date listed on the inside cover of this Prospectus to be considered for the Draft Contract.

## **Concession Opportunity**

Kennecott Mines National Historic Landmark (NHL) lies in the heart of Wrangell-St. Elias National Park and Preserve and is approximately 5 miles from the community of McCarthy.

The Kennecott/McCarthy area is both a staging area for wilderness and backcountry experiences and a destination for many visitors. Guests are attracted to the area by the opportunity to visit the NHL and by the numerous outdoor activities that include glacier hiking, backpacking, ice climbing, rafting, flightseeing, and biking opportunities.

A privately owned and operated hotel, the Kennicott Glacier Lodge, is located on the main street of the NHL. Additional lodging is available in the McCarthy area through rental cabins, bed and breakfast inns, a hostel, and campgrounds.

Most visitors access the Kennecott/McCarthy area via the state highway system. The last leg of the trip is the McCarthy Road (Route 10) from Chitina; sixty-seven miles of unpaved road. The road ends at the Kennecott River, and visitors use a walking bridge to cross the river to the historic town of McCarthy. Privately owned, regularly operated shuttle service transports visitors the five miles from McCarthy to the NHL. Many visitors also arrive by air using the air taxi services based at the McCarthy airstrip. The airstrip is an improved gravel airstrip maintained by the State of Alaska.

### **Operating Conditions**

Stabilization projects may prevent visitors from entering some or all areas of a building. An offeror should expect that at some point its ability to provide tours through some of the buildings may be disrupted due to these stabilization projects.

Many industrial artifacts and features remain in the mill site and contribute to the character of the cultural landscape. Many of these features have significance for their association with historic activities at Kennecott (1900-1938), and they are managed as cultural resources. Included are various types of mining equipment and machinery, structural ruins, remnant cable, pipe, pulleys, and grinding wheels. In addition, heavy metals (such as antimony, arsenic, copper, lead, cadmium, chromium, and mercury) are present in elevated quantities in the mine tailings, soil and dust throughout the Mill Site. The industrial artifacts and exposure to the heavy metals may pose safety risks to the visitor.

Safety issues related to entering buildings during this tour operation include:

- Low light levels
- Trip/fall hazards
- Low ceilings and overhangs
- Narrow, steep stairwells
- Sharp objects
- Tight spaces
- Heavy metals

The National Park Service has established tour routes through the following buildings that must be followed when conducting these tours:

- Concentration Mill Building
- Ammonia Leaching Plant

The tour routes and operating requirements may be found in the Draft Operating Plan, Exhibit B of the Draft Contract included in this Prospectus.

As identified in the Draft Operating Plan, the group size will be limited to fifteen clients plus a maximum of three guides.

Note: The Park solicited public comment for commercial services in the NHL from 7/10/24 to 7/31/24, which resulted in no changes to the Prospectus.

## Current Concession Operation

In 2013 a concession contract was awarded to provide guided tours of the NHL. The business operations are based in a privately owned building in Kennecott.

**Table 1 – Existing Concessioner**

Contract ID	Concessioner	Contract Expiration
CC-WRST018-13	St. Elias Apline Guides, LLC	December 31, 2024

Although the NPS provides some financial information, offerors are responsible for producing their own prospectus financial analysis and relying on their own assumptions.

## Counter Space

Counter space will be available if requested by the Concessioner. The counter space may be moved to a different building within the NHL based on park operational needs. All tour signage must be approved by the Superintendent. See Exhibit B Operating Plan for additional information.

## FINANCIAL INFORMATION

### Concessioner Financial Information

To assist offerors in determining the scale of the business opportunity, information regarding historical gross receipts and client numbers are shown in the following section. Offerors should be appropriately cautious in the use of historical information. The Service will not provide financial predictions. Each offeror must perform its own due diligence and rely on its own financial assumptions.

### Utilization and Operating Data

The following table lists historical client numbers for the past five years.

**Table 2 – Client Numbers**

Contract ID	2019	2020	2021	2022	2023
CC-WRST018-13	5,931	3,168	5,390	6,785	6,500

The following table lists the five-year historical annual gross receipts range.

**Table 4 – Historical Gross Receipts**

Contract ID	2019 – 2023 Historical Gross Receipt Range
CC-WRST018-13	177,200 – 224,253

The following table lists the historical franchise fee for the contract. Concessioner pays a percentage of annual gross receipts or a flat fee, whichever is greater.

**Table 5 – Concession Franchise Fee Rates**

Contract ID	Franchise Fee
WRST018-13	3%

### Rates

The National Park Service approves rates charged by the Concessioner. Due to the lack of comparable operations in the area, the Superintendent has determined that the Contract Specified Rate Method is the method that will be used to approve rates. This method provides that the initial rates to be charged are specified in the contract, with an index included in the contract to allow for increases to occur in the future. The index is described in the Draft Contract, Exhibit B.

### Required Investment Summary

There is no real or personal property investment required by the Draft Contract. Offerors must provide the furniture, fixtures, and equipment necessary for administrative support and the equipment necessary to provide the required and authorized services. The government will not compensate Concessioners for such property or require any incoming operator to purchase such property.

### Executive Order 14026

Executive Order 14026 requires a minimum wage rate for concession contracts of \$17.20 per hour (2024 rate) and increased from such amount by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (United States city average, all items, not seasonally adjusted). For additional information: See Exhibit A of this Prospectus, SEC. 1(a)(9) and [Final Rule: Increasing the Minimum Wage for Federal Contractors \(Executive Order 14026\) | U.S. Department of Labor \(dol.gov\)](#).

### Franchise Fee

The minimum franchise fee will be equal to four percent (4%) of the Concessioner's annual gross receipts or a flat fee of \$1,000.00, whichever is higher, for the term of the Contract. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package.

### Term and Effective Date of Draft Contract

The term of the Draft Contract will be for ten (10) years with an estimated beginning date of January 1, 2025. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the expiration date of the Draft Contract will be changed to continue the same term length from any adjustment to the effective date.



## Preferred Offeror Determination

Section 403 (7)(B) “Preferential Right of Renewal” of the National Park Service Concessions Management Improvement Act of 1998 (P.L. 105-391) (54 U.S.C. § 101913(7)) includes a preference for a preferred offeror to the award of a qualified concession contract. Pursuant to this statute and the regulations contained in 36 CFR Part §§ 51.36-37, the Service has determined that the contract to be awarded through this Prospectus is a qualified concession contract. The Existing Concessioner has operated satisfactorily for the term of the contract, and the annual gross receipts are not expected to exceed \$500,000 in the first 12 months of the term of the Contract.

**Table 6 – Preferred Offeror**

Preferred Offeror	Contract ID
St. Elias Alpine Guides, LLC	CC-WRST018-13

All interested parties, including the Existing Concessioner, must submit a responsive proposal to this Prospectus to be considered for award of a Contract. Refer to Proposal Instructions Section 8. Process of Selecting the Best Proposal for detailed information. If an Existing Concessioner with preferred offeror status submits a responsive proposal and that proposal is not selected as the best proposal, the preferred offeror designation allows it to match the terms of the best offer and be awarded the Contract.

## Law, Policy, and Regulation

NPS Concessions Law, Regulation, Policy and information about Wrangell-St. Elias National Park and Preserve can be accessed via the internet at the following websites:

Information	Website
Concessions Management Improvement Act of 1998 (P.L. 105-391)	<a href="https://www.congress.gov/105/plaws/publ391/PLAW-105publ391.pdf">https://www.congress.gov/105/plaws/publ391/PLAW-105publ391.pdf</a>
NPS Concession Mgmt. Regulations - 36 CFR Part 51	<a href="https://www.ecfr.gov/cgi-bin/text-idx?SID=38c0a14b9ad08a6c7edd0188de45d17b&amp;mc=true&amp;tpl=/ecfrbrowse/Title36/36cfr51_main_02.tpl">https://www.ecfr.gov/cgi-bin/text-idx?SID=38c0a14b9ad08a6c7edd0188de45d17b&amp;mc=true&amp;tpl=/ecfrbrowse/Title36/36cfr51_main_02.tpl</a>
NPS Management Policies, Chapter 10- Commercial Visitor Services	<a href="https://www.nps.gov/policy/mp/chapter10.htm">https://www.nps.gov/policy/mp/chapter10.htm</a>
Wrangell-St. Elias National Park & Preserve website	<a href="https://www.nps.gov/wrst/index.htm">https://www.nps.gov/wrst/index.htm</a>

Concessions Management Improvement Act of 1998 (P.L. 105-391)	<a href="https://www.congress.gov/105/plaws/publ391/PLAW-105publ391.pdf">https://www.congress.gov/105/plaws/publ391/PLAW-105publ391.pdf</a>
Wrangell-St. Elias National Park & Preserve Planning Documents	<a href="https://www.nps.gov/wrst/getinvolved/park-planning.htm">https://www.nps.gov/wrst/getinvolved/park-planning.htm</a>
Alaska National Interest Lands Conservation Act	<a href="https://www.nps.gov/locations/alaska/nilca.htm">https://www.nps.gov/locations/alaska/nilca.htm</a>
Superintendent's Compendium	<a href="https://www.nps.gov/locations/alaska/current-compendiums.htm">https://www.nps.gov/locations/alaska/current-compendiums.htm</a>