

# STATE OF OREGON



## OREGON PARKS AND RECREATION DEPARTMENT

### COVER PAGE

### BUSINESS OPPORTUNITY

for

### CONCESSION AND OTHER SERVICES AT SILVER FALLS STATE PARK

Date of Issue: August 1, 2024

Closing Date and Time: August 30, 2024 at 2:00 PM PT

**Single Point of Contact (SPC):** Winona Butler

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## A. SUMMARY OF OPPORTUNITY

The State of Oregon, acting by and through the Oregon Parks and Recreation Department (“**Agency**”), is issuing this Business Opportunity (this “**Opportunity**”) for concessions and other services (the “**Concession Services**”) at Silver Falls State Park located near Silverton, Marion County Oregon (the “**Park**”).

Agency has obtained a Class Special Procurement, as described in SP#63400-00072680, a copy of which is attached as Exhibit A (the “**Special Procurement**”). The Special Procurement provides Agency with a process for procuring concession and related services at Oregon State Parks that is different from and more suitable than the standard procurement process under the Oregon Public Contracting Code.

As noted in Section 11 of the Special Procurement:

The nature of the Concession Services to be provided by Contractors are unique as compared to the typical goods and services acquired by State agencies under procedures established by ORS 279B.055 (Competitive Sealed Bidding), or ORS 279B.060 (Competitive Sealed Proposals). For example, the Concession Services Contractor will pay the State for the opportunity to operate the Park or provide Services to Park visitors. Typically, the State is paying Contractors to provide services. The Concession Services will require a complex, interacting set of contracts (See Section 9 above), which requires more flexibility in negotiating contracts than afforded by the procurement process otherwise required by the Public Contracting Code. Finally, the long term and personal nature of services requires a flexible selection process that allows OPRD to consider factors that arise during discussions in determining who will provide the Concession Services. The procurement processes otherwise required under the Public Contracting Code do not allow that flexibility.

In this Opportunity, Agency is seeking to establish a long-term mutually beneficial arrangement with an Interested Party to provide specific Concession Services as determined through this Opportunity process. (For the purposes of this Opportunity, an “**Interested Party**” means an entity that submits a Notice of Interest in response to this Opportunity; a “**Notice of Interest**” means an Interested Party’s response to this Opportunity in accordance with the provisions hereof; and “**Contractor**” means the Interested Party (if any) awarded the opportunity to provide the Concession Services at the Park (the “**Concession**”) pursuant to the provisions of this Opportunity.

The Concession Services will be comprised of Basic Services and, if agreed to by Agency and a Contractor, Additional Projects, as defined and explained below. To help Agency and an Interested Party agree on a business model for the Concession Services that works for both sides, this Opportunity describes both the Basic Services and the Additional Projects without specifying a particular scope or pricing model. Instead, Agency envisions Interested Parties describing, in their Notices of Interest and through subsequent evaluation activities, a workable

financial structure to provide the Basic Services and also to identify alternate or supplemental methodologies to support one or more of the Additional Projects identified below. Agency intends that any resulting Contracts will have a term of up to 10 years if for only Basic Services, and up to 20 years if for a combination of Basic Services and Additional Projects.

Agency will use the Notices of Interest to initiate the evaluation activities described in the Special Procurement with some of the Interested Parties. Agency understands that the normal arrangement for park concessions entails a contractor operating the facilities and retaining the gross revenues less concession fees paid back to Agency based on a percentage of gross revenues. Either in its Notice of Interest, or through additional evaluation activities, an Interested Party will need to propose a percentage for the concession fees for Basic Services and may also propose different percentages or structures for the Additional Projects. Agency and Interested Parties may refine those proposed fees and other terms through evaluation activities permitted by the Special Procurement. Agency plans to compare the Basic Services proposals and the Additional Projects proposals between the Interested Parties and may discuss different proposals with Interested Parties to help identify the plan and scope of the Concession Services that provides Agency the best overall value, considering Agency's policy and business goals related to the Park. Any information in a Notice of Interest or obtained by Agency in subsequent evaluation activities may be shared by Agency with other Interested Parties unless specifically identified as proprietary information in the Notice of Interest, subject to the Oregon Public Records Law.

As further explained in Section 12 of the Special Procurement:

OPRD will not base its selection on a specified set of criteria, but rather will allow each interested party to describe to OPRD why its particular combination of capabilities and experience is best suited to operate the Parks. In other words, OPRD will not limit competition by asking interested parties to meet and respond to a defined and closed set of evaluation criteria determined without full understanding of the capabilities of potential service providers. Rather, OPRD will select the Contractor based on consideration of each interested party's proposed solution to constructing the Concession Services for the Business Opportunity, allowing OPRD to consider a variety of disparate solutions.

Agency may contact any Interested Party (without any requirement to communicate with all of them) to seek clarification, to discuss possible modifications to the proposal described in its Notice of Interest, or to engage in other evaluation activities as described in the Special Procurement. Ultimately, Agency envisions that it will identify several Interested Parties to participate in additional evaluation activities. Any such interviews will be less formal than under a standard procurement process and will include brainstorming about the most viable and advantageous scope and terms for the Basic Services possible Additional Projects.

After such evaluation activities, Agency will determine, in its reasonable discretion, which Interested Party or Interested Parties, if any, to begin negotiations with for a particular set of

Concession Services. The result of such negotiations, if successful, will be an appropriate services contract, related facilities lease and any other necessary ancillary documentation (together the “**Concession Documents**”).

Agency’s selection, if any, of an Interested Party to provide the Concession Services will not be a solely economic decision, as Agency will determine best value by considering the bigger picture – how the Concession Services can help Agency in its larger mission to preserve and protect the integrity of the Park facilities and resources, both built and natural. Agency is looking for creative synergies and is open to contemplating cost structures and fulfillment of other goals or values that Agency has not previously considered.

To assist Interested Parties in understanding the Opportunity, the following is a summary of the principles that will guide Agency throughout this process:

Agency is committed to fostering business relationships that align with our core values and strategic priorities. Our vision is centered on three key pillars:

1. Facility Re-investment and Improvement. We are dedicated to engaging with concessionaires who share our commitment for maintaining and enhancing Oregon State Park facilities. Our vision includes agreements that prioritize investment in modernizing infrastructure, enhancing accessibility, and implementing sustainable practices that improve operational efficiency and environmental stewardship. By fostering business relationships with entities dedicated to making strategic investments and improvements, we aim to create environments that inspire and serve Oregon State Park visitors for generations to come.
2. Enhancing Visitor Experience. Central to our vision is the goal of enriching visitor experiences across Oregon’s diverse landscapes. We seek concessionaires who share our passion for providing exceptional and memorable recreational opportunities. By offering memorable and enriching experiences, we aim to foster connections with nature, local communities, and promote tourism while maintaining the integrity of our natural resources.
3. Equitable Financial Return. As stewards of public trust and resources, we are committed to fiscal responsibility and sustainability. Our vision includes forging partnerships that generate fair and sustainable revenue streams for Agency. This revenue supports ongoing park maintenance, conservation efforts, and community outreach programs, ensuring the long-term viability and accessibility of Oregon State Parks for all Oregonians.

## **Agency Background**

Agency’s mission is to provide and protect outstanding natural, scenic, cultural, historical, and recreational sites throughout the State of Oregon for the enjoyment and education of present and future generations. Agency manages 258 park areas and 107,960 acres of land that provide camping and day-use opportunities throughout Oregon. In addition, it oversees programs to protect and provide public access to natural and historic resources within the state, including

the State Historic Preservation Office, the Oregon Heritage Commission, the Oregon Commission on Historic Cemeteries, recreation trails, the Ocean Shores Recreation Area, scenic waterways and the Willamette River Greenway.

The Oregon State Parks system has a long tradition of delivering outdoor recreation experiences and is one of the most famous park systems in the country. Oregon ranks seventh among U. S. state park systems with nearly 875,000 nights rented. The 51.2 million day-use visitors a year have earned Agency third place in the nation in terms of daily use.

### **Silver Falls State Park; Concession Facilities**

Silver Falls State Park is approximately 9,000 acres of forests, meadows and waterfalls. It is visited by 1.3 million day-use visitors annually. More in-depth information about the Park and its concession opportunities is set forth in the Business Description attached as Exhibit B and is also available on the Park web page.

The areas of the Park that will be leased (at no cost outside of the concession fee structure for the Basic Services) for the Contractor to use to provide the Concession Services (the “**Concession Facilities**”) are:

1. South Falls Café. The South Falls Café is located in the South Falls Lodge. The historic South Falls Lodge is located near the iconic South Falls. The South Falls Lodge is also near the trailhead for the nationally-recognized Trail of Ten Falls, as well as the South Falls day-use area, which includes picnicking, bicycling and a small swim area, and trailheads for shorter hikes. The Cafe has a full kitchen, shares indoor and patio space with other South Falls Lodge uses, and basement storage. Concession services at the South Falls Café have historically included casual dining, food to go and snacks for picnicking and hiking.
2. Smith Creek Village. Smith Creek Village, formerly known as the Silver Falls Lodge and Conference Center, is located at the south end of the Park, across the highway from the South Falls day-use area. It includes 13 cabins and 4 group overnight lodges, as well as outdoor event space and historic buildings and meeting areas built by the Civilian Conservation Corps in the 1930s. One of the historic buildings includes a commercial kitchen, which can be used for a restaurant or other meal service. Smith Creek Village includes the Davidson Ranch (known as the “Old Ranch”) and the Foothills Ranch (known as the “New Ranch”), which are both large overnight facilities with commercial kitchens.

### **Basic Services**

The “**Basic Services**” that will be required during the term of the Concession Documents include the following:

Food and beverage services: at South Falls Café, provide casual dining, food to go and snacks for picnicking and hiking; and at the Smith Creek Village Restaurant, provide breakfast, lunch and dinner for general public and overnight guests.

Lodging services: at Smith Creek Village, provide lodging services at group lodges, cabins, and ranches.

Other services: at both the South Falls Café and Smith Creek Village, provide alcoholic beverage services; at Smith Creek Village, operate the gift shop at the Village (including lodging sundries); and at Smith Creek Village provide event planning and staging.

Maintenance services: for all Concession Facilities, perform preventative maintenance, recurring maintenance and component renewal.

### **Additional Projects**

Agency has identified certain capital improvement projects for the Concession Facilities in its 2009 Silver Falls Master Plan (the “**Master Plan**”) that would enhance, upgrade or expand Concession operations (“**Additional Projects**”). The Master Plan is available at [oregon.gov/oprd/PRP/Documents/PLA-Adopted-Silver-Falls-2009.pdf](http://oregon.gov/oprd/PRP/Documents/PLA-Adopted-Silver-Falls-2009.pdf). Agency is interested in identifying ways that such Additional Projects could be incorporated into the Concession Services, to the extent possible.

#### 1. Priority Additional Projects

- (a) Renovate 8 Smith Creek Village tiny cabins (preliminary cost estimate \$15,000 per cabin)
- (b) Renovate 2 Smith Creek Village Duplex cabins (preliminary cost estimate \$40,00 per duplex)
- (c) Renovate 4 Smith Creek Village lodges (Master Plan, pg. 134 & preliminary cost estimate \$80,000- \$100,000 per lodge)
- (d) Expand Smith Creek Village meeting facilities to accommodate 120 people (Master Plan, pg. 134 & preliminary cost estimate \$350,000)

#### 2. Desired Additional Projects

- (a) Rehab South Falls Lodge Yard (Master Plan, pg. 77 & preliminary cost estimate \$125,000)
- (b) Add showers to the Ranch facilities (Master Plan, pg. 130 & preliminary cost estimate \$50,000 per ranch)
- (c) Add spa facility in the west meadow of Smith Creek Village (Master Plan, pg. 134 & preliminary cost estimate \$500,000)
- (d) Add recreation building to west meadow of Smith Creek Village (Master Plan, pg. 134 & preliminary cost estimate \$300,000)

#### 3. Other Possible Additional Projects

- (a) Swim Area Café at South Falls day use area (Master Plan, pg. 78)
- (b) Add Bike Rental (Master Plan, pg. 134)

Possible further Additional Project opportunities may be available at the North Canyon Meeting Hall and the Log Cabin in the campground but are not included in the Master Plan.

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**The Sections below contain key information about how to express interest in this Opportunity and more detail about the process.**

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**B. GENERAL INFORMATION**

- 1. Publication of Opportunity.** This Opportunity is published on the State of Oregon’s electronic procurement system, OregonBuys, at [OregonBuys](#); and on Agency’s website at [Doing Business with OPRD](#). Any amendments or modifications to this Opportunity will be published on [OregonBuys](#) and [Doing Business with OPRD](#).
- 2. SPC (Single Point of Contact).** The name and contact information of the Single Point of Contact (the “SPC”) for this Opportunity are set forth on the Cover Page. Except as specifically set forth herein, Interested Parties will direct all communications related to any provision of this Opportunity only to the SPC.
- 3. Submittal of Notices of Interest and Other Communications.** Interested Parties must submit their Notices of Interest, as well as any other documents or communications related to this Opportunity, using one of the following delivery options: electronically through OregonBuys at [oregonbuys.gov/bsa](#); or via email to the SPC at [winona.butler@opr.oregon.gov](#).
- 4. Communications and Submittals.** All communications from Interested Parties relating to this Opportunity must reference OregonBuys Bid #S-63400-00011142 and include the Interested Party’s name and contact information.
- 5. Cancellation of Opportunity; Rejection of Notices of Interest; No Damages.** Agency may reject any or all Notices of Interest, in whole or in part, or may cancel this Opportunity at any time, when the rejection or cancellation is in the best interest of the State or Agency, as determined by Agency. Neither the State nor any State agency is liable to any Interested Party for any loss or expense caused by or resulting from the delay, suspension, or cancellation of this Opportunity or a Concession award, or the rejection of any Notice of Interest.

**6. Dates.** The table below contains certain dates related to this Opportunity. All dates listed are subject to change, and all times listed are Pacific Time.

<b>Event/Deadline</b>	<b>Date</b>	<b>Time (PT)</b>
Open Houses at Silver Falls State Park	August 16, 2024	1:00 PM- 4:00 PM
	August 17, 2024	9:00 AM-12:00 PM
Questions and Requests for Clarification due	August 21, 2024	2:00 PM
Closing – Notices of Interest due	August 30, 2024	2:00 PM
Tentative Interviews Slots	September 23-24, 2024	8:00 AM-4:00 PM both days
Notice of Award (approx.)	September 27, 2024	
Award Protest Period ends	7 calendar days after Notice of Intent to Award	

**7. Open Houses.** Agency will hold open houses at the Park, at the dates and times set forth in Section B.6 above, to provide Interested Parties with the opportunity to gain first-hand knowledge of the Park and this Concession Opportunity. **Interested Parties may arrange to participate in an open house site by contacting the SPC via email no later than August 14, 2024 at 2:00 PM PT.** An Interested Party who cannot attend one of the scheduled open houses may contact the SPC for alternative times. Statements made at the open houses are not binding upon Agency.

**8. Questions and Requests for Clarification.** Interested Parties will submit any questions and requests for clarification by the date and time set forth in Section B.6 above.

**9. Withdrawal of Notices of Interest.** And Interested Party may withdraw its Notice of Interest and participation in evaluation activities at any time.

**10. Costs of Notices of Interest.** Interested Parties will bear any and all costs incurred in connection with their Notices of Interest.

**11. Ownership and Agency Use of Notice of Interest Materials.**

11.1 All Notices of Interest are public records and are subject to public inspection after Agency issues the notice of the Concession award. The Oregon Public Records Law will determine whether any information is exempt from disclosure.

11.2 All Notices of Interest and other materials submitted in response to this Opportunity become the property of Agency. By submitting Notices of Interest, Interested Parties grant the State a nonexclusive, perpetual, irrevocable, royalty-free license for the rights to copy, distribute, display, prepare derivative works of and transmit the Notice of Interest solely for the purpose of evaluating the Notice of Interest, negotiating the Concession Documents (as



applicable), or as otherwise needed to administer this Opportunity, and to fulfill obligations under Oregon Public Records Law (ORS 192.311 through 192.478).

11.3 Agency will not return submitted Notices of Interest or other materials submitted to Agency during the process described in this Opportunity to Interested Parties.

**12. Governing Law, Venue and Jurisdiction.** This Opportunity is governed by the laws of the State of Oregon. Venue for any administrative or judicial action relating to this Opportunity is the Circuit Court of Marion County for the State of Oregon; provided, however, if a proceeding must be brought in a federal forum, then it will be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event will this Section B.12 be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, to or from any claim or consent to the jurisdiction of any court.

### **C. REQUIREMENTS FOR NOTICES OF INTEREST**

**1. General.** Notices of Interest (including all required items) must be submitted on or before the date and time set forth in Section B.6 above (“**Closing**”). Notices of Interest received after Closing will not be accepted for evaluation. Notices of Interest should not exceed 20 pages. The following items do not count toward the page limit: the Financial Information Submittal Form attached as Exhibit C (and described further in Section 2.2 below) and the Reference Check Form attached as Exhibit D. Notices of Interest should not include extensive artwork, unusual printing or other materials not essential to the utility and clarity of the Notice of Interest, or marketing or advertising material.

**2. Elements.** Notices of Interest will contain each of the following elements:

2.1 Cover Letter: statement of the Interested Party’s interest in providing Concession Services, signed by a person authorized to contractually bind the Interested Party.

2.2 Plan for Basic Services: description of how the Interested Party will provide the Basic Services described in this Opportunity, including the scope and scale of the Basic Services and a proposed concession fee for the Basic Services. Careful completion of the Financial Information Submittal Form will provide Agency with the body of data necessary to compare and evaluate any Interested Party responses with respect to the provision of the Basic Services.

2.3 Plan for Additional Projects (Optional): description of a pricing strategy or cost structure that supports the proposed Additional Projects, including a description of a planned approach to optimize the visitor experience while the Additional Projects are under construction.

2.4 Experience: list of entities for which the Interested Party has provided services similar to the Basic Services, and for each entity describe such services, including the length of time

provided by the Interested Party. If applicable, describe any experiences with capital improvements similar to the Additional Projects.

2.5 Financial Information and Resources: proof of the Interested Party's ability to meet at least 6 months of startup and payroll costs, in the form of bank statements, credit lines, existing loan availability, and any other sources of cash. If applicable, explain financial resources and planning for any Additional Projects.

2.6 Financial Information Submittal Form (Exhibit C): completed Financial Information Submittal form (Exhibit C); see Section 2.2 above.

2.7 Reference Check Form (Exhibit D): completed Reference Check Form (Exhibit D), providing three (3) references from the list of entities described in Section C.2.4 above.

#### **D. EVALUATION OF NOTICES OF INTEREST**

**1. Evaluation Committee.** Each Notice of Interest and subsequent discussions and negotiations will be independently evaluated by members of an evaluation committee. Evaluation committee members may change, and Agency may use different evaluators for different Notices of Interest and for different aspects of the proposed solutions for delivery of Basic Services and Additional Projects.

**2. Elimination from Consideration.** Agency may eliminate from consideration any Interested Party that makes any contact regarding this Opportunity with State representatives such as State employees or officials other than the SPC or persons authorized by the SPC; makes inappropriate contact with the SPC; or attempts to influence a member of the evaluation committee.

**3. Evaluation.** As described in Section A above, Agency will consider all Notices of Interests to determine which potential Contractors it will engage in evaluation activities. Agency may, in its sole discretion, choose the Contractor with no additional phases of evaluation, or Agency may conduct any additional phases of evaluation and evaluation activities as described in the Special Procurement, including interviews. If additional phases of evaluation are conducted, Agency will notify advancing Interested Parties. Agency may choose the Contractor at any time during the evaluation process.

#### **E. AWARD; CONCESSION DOCUMENTS**

**1. Notification.** Once Agency has tentatively awarded the Concession to a Contractor, it will notify all Interested Parties who submitted Notices of Interest that Agency intends to do so. The notice of the Concession award will be published on the [OregonBuys](#) and [Doing Business with OPRD](#) websites.

**2. Protest of Concession Award.**

2.1 Agency's Right to Forego Evaluation Process. If Agency receives only one Notice of Interest, Agency may forego the evaluation process and notice of award protest period and proceed with the Concession award and Concession Document negotiations.

2.2 Protests. An affected Interested Party will have seven (7) calendar days from the date of the notice of award to file a written protest. Agency will receive and consider Protests in accordance with OAR 137-047-0740.

2.3 Protest Requirements. Protests must be signed by an authorized representative of Interested Party; specify the grounds for the protest; and be submitted within seven (7) calendar days of the notice of award.

2.4 Agency's Response to Protests. Agency will address all timely submitted protests within a reasonable time and will issue a decision to the protesting Interested Party. Protests that do not include the required information may not be considered by Agency.

### **3. Negotiation of Concession Documents.**

3.1 After selection of an Interested Party, Agency will continue discussion and negotiations of the Concession Documents. The selected Interested Party will bear all of its costs associated with negotiating and finalizing the Concession Documents.

3.2 The Concession Documents will be prepared by the Oregon Department of Justice in accordance with the generally negotiated terms of the award, to the extent legally possible. Finalization of the Concession Documents terms is subject to the approval of the Oregon Department of Justice. Agency will not negotiate the following provisions in the Concession Documents: choice of law; choice of venue; Constitutional requirements; and requirements of applicable federal and state law.

3.5 If Agency and the Contractor have not reached mutually agreeable terms for the Concession Documents within 45 calendar days after the end of the intent to award protest period, Agency may terminate negotiations and commence negotiations with another Interested Party.

**4. Additional Contractor Requirements.** Once the Concession Documents are negotiated, but prior to their execution, the Contractor will secure and demonstrate to Agency proof of insurance as required by the Concession Documents; provide its Taxpayer Identification Number (TIN) and backup withholding status on a completed W-9 form; and be duly authorized by the State of Oregon to transact business in the State of Oregon.