United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on National Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate

March 2000

PARK SERVICE

Need to Address Management Problems That Plague the Concessions Program

Accountability * Integrity * Reliability

GAO/RCED-00-70

Contents

Letter		3
Executive Summary		4
Chapter 1 Introduction		12
	Background	13
	Condition of Lodging Facilities in National Parks Varies Considerably	16
	Scope and Methodology	20
Chapter 2 Long-Standing Management Problems Affect the Condition of Lodging Facilities		23
	More Qualified and Better-Trained Staff Would Improve the Concessions Program	23
	Management of the Concessions Program Lacks Accountability	35
	Other Factors May Also Affect the Condition of Lodging Facilities	43
	Conclusion	45
	Agency and Industry Comments and Our Evaluation	46
Chapter 3 Options Are Available to Address Problems in Managing the Concessions Program		47
	Professionalize and Improve the Training of the Agency's Workforce	48
	Contract for Needed Business and Contracting Expertise	50
	Improve Accountability for the Concessions Program	53
	Conclusions	54
	Recommendations to the Secretary of the Interior	55
	Agency Comments and Our Evaluation	55
Appendixes	Appendix I: Results of GAO's Inspections of Lodging Facilities in Two Parks	56
	Appendix II: Comments From the Department of the Interior	75
	Appendix III: Comments From the National Park Hospitality Association	76
	Appendix IV: GAO Contact and Staff Acknowledgments	78
Tables	Table 1: Parks and Concessions Contractors Contacted	21

Table 2: Notable Reports and Memorandums That Raised Concerns About the Qualifications and/or Training of Park Service Concessions Staff 28
Table 3: Training and Experience Required to Execute the Park Service's Procurement and Concessions Contracts 31
Table 4: Notable Reports or Documents That Discussed the Need for Accountability Within the Concessions Program 39
Table 5: Notable Task Force Reports or Documents That Raised Concerns About the Use of Collateral Duty Staff in Managing Concessions 43
Table 6: Poor Condition of Public Bathroom and Shower Facilities 66
Table 7: Results of GAO's Room Inspections 70

Figures

Figure 1: Examples of Lodging Facilities Found in the National Park System 15
Figure 2: Typical Motel Rooms in Very Good Condition at Bryce nd Zion National Parks 17
Figure 3: Needed Exterior Repairs at a Lodging Structure at Stovepipe Wells in Death Valley National Park 18
Figure 4: Repair and Maintenance Problems in Rooms at Stovepipe Wells 19
Figure 5: Abridged Organization of the National Park Service 36
Figure 6: Needed Exterior Repairs at Log Cabin Resort 58
Figure 7: Condition of Cliff Near Kalaloch Lodge in Olympic National Park 59
Figure 8: Grounds at Grant Grove 65
Figure 9: Exposed Wiring in Public Bathroom and Shower Facilities 67

Abbreviations

FAR	Federal Acquisition Regulation
GAO	General Accounting Office
GPRA	Government Performance and Results Act
NPS	National Park Service
OMB	Office of Management and Budget

GAO
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-284573

March 31, 2000

The Honorable Craig Thomas
Chairman, Subcommittee on National Parks,
Historic Preservation, and Recreation
Committee on Energy and Natural Resources
United States Senate

Dear Mr. Chairman:

This report responds to your request that we review (1) factors affecting the condition of lodging facilities in the National park system and (2) options available to address these factors.

As arranged with your office, unless you announce its contents earlier, we plan no further distribution of this report until 14 days after the date of this letter. At that time, we will send copies to the Secretary of the Interior and to the Director of the National Park Service. We will also make copies available to others on request.

Please contact me on (202) 512-3841 if you or your staff have any questions.

Sincerely yours,

Barry T. Hill
Associate Director, Energy,
Resources, and Science Issues

Executive Summary

Purpose

Concessioners play a significant role in providing services to many of the over 270 million visitors to the national park system each year. Concessioners are private businesses that operate under contracts with the National Park Service to provide facilities and services, such as lodging, food, merchandising, marinas, and various guided services. In August 1998, GAO reported that the condition of lodging facilities varied considerably from park to park and was at times quite poor.[1] Concerned about these varying conditions, the Chairman, Subcommittee on National Parks, Historic Preservation, and Recreation, Senate Committee on Energy and Natural Resources, asked GAO to identify (1) factors affecting the condition of lodging facilities in the national park system and (2) options available to address these factors.

Background

The Department of the Interior's National Park Service manages 379 park units—such as national parks, national historic sites, and national battlefields—located all across the nation. Concessioners provide services to visitors in many of these units. In 1998, the latest year for which data are available, 630 concessioners provided visitor services in park units that grossed about $765 million in revenues. Of the $765 million in revenues generated by concessioners, about $479 million (almost two-thirds) came from the 73 concessioners that provided lodging accommodations.

For many years, concerns have been raised by the Congress, the Park Service, and GAO about the need to reform existing concessions law and the need for better management of the agency's concessions program. In November 1998, the Congress enacted a new concessions law as part of the National Parks Omnibus Management Act of 1998. One of the intentions and expectations of the new concessions law was that it would increase competition in the awarding of new concessions contracts. In addition, the law established an advisory board whose mission was to advise the Secretary of the Interior on improvements the agency could make in managing park concessioners. Since the passage of the law, the Park Service has been working to issue new concessions regulations, which the agency expects to finalize in April 2000.

[1] *National Park Service: The Condition of Lodging Facilities Varies Among Selected Parks* (GAO/RCED-98-238, Aug. 6, 1998).

Results in Brief

After considering numerous site-specific factors that could potentially affect the condition of lodging facilities–such as whether the facilities were used year-round or just seasonally, whether the facilities were owned by the government or by the concessioner, whether the facilities were designated as historic structures, and others–GAO found that the most significant factors are those involving the agency's overall approach to managing the program. Specifically, the management problems center on three areas: (1) inadequate qualifications and training of the agency's concessions specialists and concessions contracting staff, (2) the agency's out-of-date practices in handling its contracting workload and chronic backlog of expired contracts, and (3) a lack of accountability within the concessions program. For the most part, these problems are long-standing and are consistent with similar concerns raised by the Department of the Interior, its Office of the Inspector General, and Park Service concessions staff. Because of these problems, the Park Service frequently has difficulty managing the performance of its concessioners to ensure a consistent level of quality in the services and facilities they provide.

The Park Service has two principal options for dealing with the problems identified in its management of the concessions program: (1) using better hiring and training practices to professionalize its workforce and thus obtain better business and contracting expertise or (2) contracting out to acquire the needed business and contracting expertise. These two options are not mutually exclusive in that the agency could contract for expertise in certain functions while developing expertise in-house for other functions. Both options require that the agency better manage its human capital to ensure that it selects, trains, develops, and manages concessions staff who have the skills needed to bring about improvement in the concessions program. Regardless of what options—or combination of options—it selects, the agency needs to strengthen its accountability for and control of the program. Unless this is done, the effectiveness of other changes to the program will likely be diminished.

Principal Findings

Long-Standing Management Problems Affect the Condition of Lodging Facilities

On several occasions, the Department of the Interior's Office of the Inspector General and the agency's own staff have raised concerns about the qualifications and training of the Park Service's concessions staff. The primary concern raised was that the agency's concessions staff do not normally have the business, financial, and contracting backgrounds needed to successfully carry out the concessions program. However, the Park Service has made only limited progress in addressing these concerns. It has made few efforts to professionalize its workforce by hiring staff with education or experience in business management or hospitality management. Instead, it has filled concessions positions through internal transfers—moving staff out of other career fields and into the concessions program. Once transferred, these staff receive only limited training. A more qualified and better-trained workforce would have a better understanding of trends in the industry, best practices, and the tools needed to effectively manage concessioners. Rather than seeking to professionalize the concessions workforce, the agency has taken the view, expressed by the chief concessions official in one regional office, that "anyone can do concessions." GAO's work indicates that this comment typifies the agency's approach to managing its concessions program.

In addition to the problems with the qualifications and training of its concessions staff, the Park Service's concessions contracting practices are out-of-date and do not reflect the best practices of the federal government, the private sector, or other contracting practices within the agency. For example, contracting staff in other agencies throughout the federal government are encouraged to write contracts that are performance based—meaning that the contracts contain incentives for good performance and disincentives for performance that falls below expectations. However, the agency's concessions program is not using performance-based contracts; and according to several senior Park Service concessions program officials, the agency has no plans to do so. Furthermore, for about 10 years, the agency has had difficulty addressing its contracting workload in a timely manner, resulting in chronic backlogs of expired concessions contracts. Many concessions contracts expired 5 to 10 years ago, and concessioners have since been operating on 1- to 3-year contract extensions. These expired or extended contracts contribute to the varying condition of lodging facilities because concessioners operating under short-term contract extensions, or nearing the end of their contracts,

are less likely to invest in their facilities to make needed capital improvements.

The third major management issue affecting the concessions program is a lack of accountability. While the Park Service, like other federal agencies, is trying to improve accountability and program performance in response to the Government Performance and Results Act of 1993 (GPRA) and other related initiatives, the concessions program is an area where these efforts need to be improved. Under the agency's organizational structure, the head of the program—the Chief of Concessions—has no direct authority over those that implement the program in individual park units. Thus, the organizational structure of the agency limits the impact that the head of the program or other central offices can have on its ultimate success. This structure relies on regional directors' holding park superintendents accountable for the results of their parks' concessions programs. However, concessions officials in the Park Service's headquarters and two largest regional offices indicated that this is not occurring. Specifically, they acknowledged that superintendents are not being evaluated on the results of their concessions programs. As a result, it is not surprising that this lack of accountability exists. Further contributing to this lack of accountability is the fact that there is no process in place for headquarters or regional staff to ensure that park concessioners are meeting the agency's minimum acceptable standards or that these standards are being consistently applied. In the private hotel/motel industry and the Department of Defense—which manages similar activities—independent inspection teams are used to determine the condition of the facilities and services being provided to the public. The Park Service does not have such teams. As a result, Park Service management has no systematic way of identifying agencywide problems and determining whether corrective actions are needed or new initiatives are warranted.

Options Are Available to Address Problems in Managing the Concessions Program

Two options are available to deal with the problems identified in the management of the concessions program: (1) professionalize the workforce to obtain better business and contracting expertise or (2) contract for the needed business and contracting expertise. To professionalize its concessions workforce, the Park Service could change its hiring practices and upgrade its training. Rather than filling positions in the concessions program with staff transferred from other career fields, the agency could hire staff with backgrounds or education in hospitality and/or business management. Through this approach, the agency would gradually develop greater in-house expertise in managing concessioners in a more

businesslike manner. In addition, the agency could upgrade the training of its concessions contracting staff so that they were as well qualified as the agency staff involved with contracting outside the concessions program.

The benefit of pursuing this option would be that the agency would develop a more qualified, better-trained, and professionalized concessions workforce. However, the agency's past record in taking action to address these issues is not encouraging. Many of the concerns raised in this report about the qualifications of the Park Service's concessions staff have surfaced repeatedly over the past 10 years in reports by the Department of the Interior's Inspector General and by several different departmental or agency task forces. Several times over this period, the Park Service has generally agreed that it needs to professionalize its concessions workforce, but, as GAO's work indicates, the agency has not made significant progress in this area. Hence, the agency's past experience suggests that there can be little confidence that the agency will address these issues.

Instead of professionalizing its workforce, the Park Service could contract for the expertise it needs to operate its concessions program. Contractors could be hired to handle a number of financial and business-related tasks such as planning, writing contract prospectuses, performing financial analysis, assisting with contracting, and evaluating the performance of concessioners.

Contracting for the business-related staff could have several benefits. For example, through contracting, the agency could obtain a highly qualified workforce in a short period of time. In addition, it would gain some flexibility in staffing and could adjust the number of staff to fit the size of its upcoming workload. Contracting could allow it to bring more staff on to handle its backlog of expired and expiring concessions contracts and cut back on its contractor staff when the workload is diminished.

Furthermore, contracting for certain functions has the potential to improve performance as well as reduce some costs. For example, traditionally, inspections of concessioners' facilities and operations are a responsibility of park concessions staff. These inspections can be subjective, and the application of standards can vary from park to park. If the agency centralized and contracted for this function, it could perhaps perform inspections with fewer people and yet achieve greater consistency across the agency.

While contracting has some potential to reduce costs in the concessions program, it could also increase costs, particularly areas where the agency would contract for larger numbers of highly skilled staff than it currently maintains. However, some of the increased costs of contracting for more qualified staff in the concessions program could be mitigated by centralizing certain functions, such as inspections. In addition, the increased costs could be mitigated by reducing the number of agency staff in the concessions program.

These two options are not mutually exclusive, in that the agency could contract for expertise in certain functions while developing the expertise in-house for other functions. These options are principally focused on improving the agency's management of its largest concessioners—most of which are lodging concessioners. In GAO's view, once the agency has made changes in the concessions program to address its largest concessioners, the benefits of additional expertise–whether acquired through hiring, training, contracting—are likely to cascade down to improve the agency's management of its smaller concessioners.

Finally, no matter which option or combination of options it selects, the Park Service will need to strengthen its accountability for and control of the concessions program. Unless changes are made to better link concessions programs at the park-level with the agency's leadership of the concessions program, efforts to improve the program through the suggested options are unlikely to succeed.

Recommendations

GAO recommends that the Secretary of the Interior require the Director of the National Park Service to increase the effectiveness of the concessions management program by improving the qualifications of the concessions staff (including improving their training in writing and administering contracts), contracting for these services, or engaging in some combination of the two.

GAO further recommends that the Secretary require the Director of the Park Service to improve the accountability of park managers by establishing a formal process for performing periodic independent inspections of concessioners' lodging operations throughout the park system. These independent inspection teams should determine if the services provided by concessioners meet the agency's standards and report these findings to the Director for corrective action.

Agency and Industry Comments and GAO's Evaluation

GAO provided a draft of this report to the Department of the Interior and the National Parks Hospitality Association—an industry group representing park concessioners—for their review and comment. The Department of the Interior generally agreed with the findings and recommendations in the report. The Department stated that the recommendations offered an opportunity to strengthen and reform the Park Service's concessions program. The Department indicated that the Park Service is already taking actions to address some of the concessions program's management problems that were discussed in the report, and is actively considering other actions—such as moving toward more performance-based contracting. GAO believes that the Department's actions are a positive step and, if implemented, will help improve the program.

The National Park Hospitality Association believed that the backlog of expired concessions contracts was the single most important factor affecting the Park Service's concessions program, including the condition of concessions facilities. GAO agrees that this backlog is one of the key management problems currently facing the concessions program. The association also believed that ownership of facilities gives concessioners incentives to keep the facilities in good condition. While there may be such incentives, GAO's work indicated that ownership of facilities did not appear to be a key factor affecting their condition. Some government-owned facilities were in very good condition, and some were in very poor condition. The same was true for concessioner-owned facilities.

More detailed discussions of the comments from the Department of the Interior and the National Park Hospitality Association are included in chapters 2 and 3. The Department of the Interior's comments appear in full in appendix II, and the National Parks Hospitality Association's comments are included in appendix III.

Introduction

The national park system comprises 379 units or areas that include some of the nation's most precious natural and cultural resources. These units include a diverse mix of sites, from crown jewel natural parks such as Yellowstone National Park and Yosemite National Park to historic parks units such as Independence National Historical Park and Gettysburg National Military Park. The National Park Service, an agency within the Department of the Interior, is responsible for managing the more than 80 million acres that make up the national park system. The Park Service's mission in managing the park system is to provide for the public's enjoyment of the parks while at the same time protecting their resources so that they will remain unimpaired for the enjoyment of future generations.

Concessioners play a significant role in providing services at the parks to over 270 million visitors each year. Concessioners are private contractors that operate facilities and provide services, such as lodging, food, merchandising, marinas, and various guided services, at 132 park units. Concessions operations are a key element in the operation of many parks, and a major portion of visitor services nationwide are provided through concessions. The history of concessions contracting dates back to the establishment of the first national park—Yellowstone National Park in 1872—where private businesses provided diverse services, such as lodging, transportation, and camping, to visitors. Today, concessioners operate the ferry system that transports millions of visitors to the Statute of Liberty and Ellis Island; conduct narrated shuttle tours to 18 major sites on the National Mall and in Arlington National Cemetery; and manage six lodges, guided mule service, and bus tours for visitors to Grand Canyon National Park.

In August 1998, we issued a report on the condition of concessioner-operated lodging facilities in the national park system.[1] That report demonstrated that the condition of lodging facilities, and therefore the performance of the concessioners managing them, varied considerably from park to park and was at times quite poor. This report discusses the management factors that allow such widely varying conditions to exist and suggests options to improve the management of the concessions program.

[1] *National Park Service: The Condition of Lodging Facilities Varies Among Selected Parks* (GAO/RCED-98-238, Aug. 6, 1998).

Background

The 1916 Organic Act that created the Park Service authorized the Secretary of the Interior to grant privileges to private businesses for the accommodation of visitors within the national park system. To do so, the Park Service issues contracts and permits to concessioners to provide services in the parks. Until the passage of the National Parks Omnibus Management Act of 1998 (1998 act), concessions contracts could be awarded up to 30 years. However, the 1998 act provides that such contracts shall be awarded generally for 10 years or less, unless a longer term (up to 20 years) is warranted. On June 30, 1999, the Park Service published in the Federal Register a proposed rule to amend its regulations on concessions contracts to comply with the requirements of the 1998 act, which provides new legislative authorities, policies, and requirements for the solicitation, award and administration of the Park Service's concessions contracts. The Park Service expects to issue final regulations in April 2000.

Within the Park Service, the Washington Concessions Division is responsible for developing regulations, policies, and guidelines governing the administration of the concessions program throughout the national park system. Individual parks have the primary responsibility for administering and implementing all aspects of the concessions program, including planning and contracting, administering the provisions of the contracts, approving the rates that concessioners can charge the public, and evaluating concessioners' operations. This responsibility includes ensuring that the parks and visitors receive satisfactory services and facilities from concessioners. To do this, park staff perform periodic and annual evaluations of concessioners' services and facilities to ensure that park visitors receive safe, sanitary, and attractive services, equal in quality to those that visitors would expect from the private sector operating outside national park areas. The Concessions Program Center, located in Denver, provides technical support servicewide in areas such as planning for concessions operations, concessions contracting, conducting appraisals, and conducting financial and feasibility studies relating to concessions. In addition, each of the Park Service's seven regional offices has one or two support offices that provide direct assistance to parks in such activities as planning, contracting, and reviewing concessions operations.

The activities that concessioners conduct throughout the national park system are quite broad in nature and size. Concessions operations range from large lodging, food, and retail establishments generating more than $50 million each year to very small outfitters that generate less than $5,000

per year. Most concessioners are relatively small businesses that generate less than $100,000 in revenues per year. However, the relatively few concessioners that provide lodging are among the largest concessioners in the park system. In 1998, about 630 concessioners provided visitor services grossing about $765 million in revenues. Of that amount, about $479 million (almost two-thirds) came from 73 concessioners that provide lodging accommodations. Thus, most of the revenues generated by park concessioners come from the few concessioners—about 12 percent—that provide lodging to park visitors. While this report specifically addresses lodging concessioners in national parks, its findings can also apply to other large concessioners throughout the parks.

Lodging in the national park system consists of a variety of facilities, including rustic lodging (lodging not accessible by automotive vehicles), tents, cabins, motels, and hotels. Forty-five of the national parks provide lodging facilities, including hotel- or motel-type facilities, dude ranches, hostels, and rustic and tent cabins. Thirty of these parks offer visitors overnight lodging accommodations in hotel- or motel-type facilities. The lodging accommodations range from economy rooms with few amenities, to mid-scale rooms, to deluxe historic and elegant hotels, such as the Ahwahnee Hotel in Yosemite National Park and the El Tovar Hotel in Grand Canyon National Park. Annually, nearly 4 million visitors stay in lodging provided by concessioners. Figure 1 illustrates various types of lodging facilities in the national park system

Figure 1: Examples of Lodging Facilities Found in the National Park System

Cabins in Sequoia-Kings Canyon National Park

Curry Village Cabin in Yosemite National Park

Lake Crescent Lodge in Olympic National Park

Wuksachi Lodge in Sequoia-Kings Canyon National Park

The El Tovar Hotel in Grand Canyon National Park

The Ahwahnee Hotel in Yosemite National Park

Condition of Lodging Facilities in National Parks Varies Considerably

In our prior review of the condition of lodging facilities, we judgmentally selected a sample of 10 parks—about one-third of all parks having hotel- and motel-type lodging operated by concessioners—to evaluate the condition of these facilities. Using commonly accepted hospitality industry standards, we found that the condition of lodging facilities–and, thus, the performance of the concessioners managing them–varied considerably among and within parks. For example, as shown in figure 2, lodging facilities like those at Bryce Canyon and Zion in Utah were in very good condition.

Figure 2: Typical Motel Rooms in Very Good Condition at Bryce and Zion National Parks

Room in Bryce National Park

Room in Zion National Park

However, other facilities, such as those at Stovepipe Wells in Death Valley National Park in California, needed substantial renovation. Figures 3 and 4 illustrate the poor conditions we found in these facilities. [2]

[2]We visited Death Valley in May 1999 and found that all of the poor lodging conditions we found during our Apr. 1998 visit had been corrected.

Figure 3: Needed Exterior Repairs at a Lodging Structure at Stovepipe Wells in Death Valley National Park

Duct tape on broken window

Broken handle and screen on back door

Figure 4: Repair and Maintenance Problems in Rooms at Stovepipe Wells

Corroded drinking water facility and damaged wall

Plastic bag holding broken shower facility

Holes in bedspread

We also found that lodging facilities in 4 of the 10 parks we reviewed in 1998 did not have functioning smoke detectors; those in 2 parks had a large number of housekeeping problems, such as dirty and/or stained carpets and unclean windows; and those in 5 parks had a substantial number of repair and maintenance problems, such as cracks, holes, or stains in bathroom walls and/or ceilings.

In addition to the condition of lodging facilities at the 10 parks we reviewed in our prior report, we assessed the condition of lodging facilities at two other parks during this review—Sequoia-Kings Canyon National Park in California and Olympic National Park in Washington. Appendix I of this report summarizes the condition of the lodging facilities in these two parks.

Scope and Methodology

Concerned about the widely varying conditions of park lodging facilities and the performance of the concessioners contracted to manage them, the Chairman, Subcommittee on National Parks, Historic Preservation, and Recreation, Senate Committee on Energy and Natural Resources, asked us to review factors affecting the condition of lodging facilities in the national park system and options available to address these factors. Accordingly, we reviewed the factors affecting the condition of lodging facilities at seven national parks. The parks selected included 5 of the 10 parks we visited during our prior review. These were Bryce Canyon and Zion national parks—where we found some of the best lodging conditions–and Death Valley, Mammoth Cave, and Shenandoah national parks—where we found lodging facilities needing significant repair. In addition, for this review, we selected two other parks. We chose these parks because they have multiple concessioners operating lodging facilities in each park—Sequoia-Kings Canyon National Park has two concessioners that each provide lodging, and Olympic National Park has four concessioners that each operate lodging facilities.[3] We selected these two parks to determine whether lodging conditions and the performance of concessioners varied among different concessioners in the same park. Table 1 shows the parks and concessioners that we contacted.

[3]We treated Sequoia National Park and Kings Canyon National Park as one park unit because the Park Service administers them as one unit. Two concessioners manage lodging facilities in the park unit.

Table 1: Parks and Concessions Contractors Contacted

Park unit	Concessioners
Bryce Canyon National Park	AmFac Parks & Resorts
Death Valley National Park	AmFac Parks & Resorts
Mammoth Cave National Park	National Park Concessions, Inc.
Olympic National Park	Aramark Corp. Log Cabin Resort National Park Concessions, Inc. Sol Duc Hot Springs Resort
Sequoia-Kings Canyon National Park	Delaware North Parks Services Kings Canyon Park Services Company
Shenandoah National Park	Aramark Corp.
Zion National Park	AmFac Parks & Resorts

We identified multiple factors that may affect the condition of lodging facilities and the performance of concessioners through discussions with park officials and concessioners at the seven parks visited; Park Service officials at headquarters; two regional offices; and the Concessions Program Center in Denver; officials in the hotel and motel industry; and the National Park Hospitality Association, which represents the major concessioners in the national park system. These factors included the concessioner's management, the relationship between the concessioner and the park, the extent of the reserve or special account in which funds are set aside for improving facilities, the park's oversight and evaluation of the concessioner's operations, the park's use of specialists in concessions management that carried out concessions-related activities full-time or as a collateral duty, the process for approving reasonable rates that concessioners can charge the public, the operation of lodging facilities on a seasonal or year-round basis as well as the extent of the operating revenues, the ownership of the facilities (i.e., whether they were owned by the government or the concessioner), and the designation of facilities as historic structures requiring higher maintenance and repair costs. We also reviewed various documents relating to concessioners' operations in the parks, including the concessions contracts, maintenance and operating plans, parks' evaluations of concessioners' operations for 1997 and 1998, and concessioners' annual reports.

Information on the condition of the lodging facilities in the five parks we previously visited is contained in the prior lodging report. In that report, we developed a checklist to evaluate the condition of lodging facilities. That checklist was based on common industry standards for inspecting lodging facilities. We used the same checklist to evaluate the condition of the lodging facilities in Sequoia-Kings Canyon and Olympic national parks. That checklist, and the results of our inspection of those two parks, are found in appendix I.

To develop options for addressing the management of park concessions, we considered what would resolve long-standing issues related to concerns about the (1) qualifications and training of concessions staff, (2) chronic backlogs of concessions contracts, and (3) lack of accountability within the concessions program. In addition, we compared the Park Service's concessions contracting requirements and practices with the contracting requirements and best contracting practices prescribed by the Federal Acquisition Regulation and implemented by the Department of the Interior. We also reviewed reports by the Department of the Interior's Inspector General, Park Service task forces, and GAO that evaluated the concessions management program.

Because our study focused on a judgmental sample of seven national parks, our findings may not be representative of the entire national park system. However, the Park Service and other units within the Department of the Interior have prepared at least seven other reports and analyses that evaluate concessions management activities within the agency and support our analysis in many respects. These other analyses are cited throughout this report where appropriate. We conducted our review from April 1999 through February 2000 in accordance with generally accepted government auditing standards.

Long-Standing Management Problems Affect the Condition of Lodging Facilities

Our work indicated that problems with the Park Service's overall approach to managing the concessions program are the primary reason that the condition of park lodging facilities varies—ranging from very good at some parks to needing substantial repairs at others. After considering numerous site-specific factors that could potentially affect conditions–such as whether the facilities were used year-round or just seasonally, whether the facilities were owned by the government or by the concessioner, whether the facilities were designated as historic structures, and others–our analysis indicated that the most significant factors are those involving the agency's overall approach to managing the program. Specifically, the management problems center on three areas: (1) inadequate qualifications and training of the agency's concessions specialists and concessions contracting staff, (2) the agency's out-of-date practices in handling its contracting workload and chronic backlog of expired contracts, and (3) a lack of accountability within the concessions program.

For the most part, these problems are not new. For many years, similar concerns about the concessions program's management have been raised by the Department of the Interior, its Office of the Inspector General, and Park Service concessions staff. Because of these problems, the Park Service frequently has difficulty managing the performance of its concessioners, including the quality of the services and facilities that they provide.

More Qualified and Better-Trained Staff Would Improve the Concessions Program

Several times since 1990, the Department of the Interior's Office of the Inspector General and the Park Service's own staff have raised concerns about the qualifications and training of the agency's concessions staff. The primary concern was that Park Service concessions staff do not normally have the business, financial, and contracting backgrounds needed to successfully carry out the concessions program. However, the agency has made only limited progress in addressing these issues. It has made few efforts to hire staff with education or experience in business management or hospitality management. Instead, the agency typically fills concessions staffing needs by transferring staff from other career fields within the agency. Once transferred to the concessions program, these staff receive only limited training. The chief concessions official in one regional office indicated to us that there is a view within the agency that "anyone can do concessions." Our work indicates that this comment typifies the agency's approach to managing its concessions program.

The Agency Has Not Emphasized Business Skills When Hiring Concessions Staff

Traditionally, to meet the concessions program's staffing needs, the Park Service transfers staff from other career fields within the agency, such as interpretive or law enforcement rangers and administrative staff. With very few exceptions, the concessions staff we spoke with were hired by the Park Service to serve in some other career field and were subsequently transferred to the concessions field. This was prevalent at all levels within the program, including the head of the program, and most headquarters, regional, and park concessions officials. For example, the chief of the concessions program was a park superintendent before assuming her current position. She was hired initially into the agency's finance office and later worked in cultural resources and interpretation before becoming a concessions analyst and later a park superintendent. The principal concessions staff, at Bryce Canyon, Mammoth Cave, Sequoia-Kings Canyon, and Death Valley national parks were all hired as law enforcement or interpretative rangers and were later transferred into the concessions program. The principal concessions staff at Shenandoah National Park and the senior operations and contracting officials in the agency's concessions headquarters office were first hired to fill administrative positions. In total, of the about 20 agency concessions staff we spoke with, only 4 were hired into the agency's concessions program with experience or backgrounds in business or hospitality management, and 1 of these 4 staff has since retired.

Our review suggests that the practice of hiring concessions staff from other career fields is likely to continue. Two of the seven parks we visited—Mammoth Cave and Shenandoah national parks—indicated they were looking to hire concessions staff. Mammoth Cave National Park was trying to expand its concessions staff, while Shenandoah National Park was trying to replace a departing staff person. In both cases, park managers indicated they were looking to fill the position from within the agency because (1) either they did not think they could pay enough to hire someone with a background or education in business or hospitality management or (2) they were concerned about how long it would take an outside hire to learn how the parks operate.

Since 1990, several Department of the Interior or Park Service task forces have recommended that the agency "professionalize" the concessions workforce through better training and/or hiring staff with education or experience in hotel or business management. For example, in 1990, a Park Service task force found that concessions staff do not normally have the business, financial, and contracting backgrounds needed to successfully carry out the concessions program. In addition, a 1990 report from the Department of the Interior's Inspector General recommended upgrading the qualifications of staff working in the concessions field. This report stated that the staff working in concessions "did not have sufficient educational backgrounds" to perform their work well.[1] In 1991, a Department of the Interior task force recommended that all agencies within the Department—including the Park Service—recruit staff for their concessions programs that "have a basic knowledge of business including such subjects as contract law, contract administration, hotel and restaurant management, accounting, and financial management . . . . Furthermore, a 1994 memorandum from the Director of the Park Service to the agency's regional directors stated that the agency needed more concessions staff "with education or experience in business, accounting, business law or the hospitality industry." The Director indicated that the agency did not have enough staff with these backgrounds and that a wide recruitment effort was needed. The Director suggested that to recruit qualified staff, the agency should look for candidates from outside the government. Nonetheless, the Park Service is continuing to fill positions in the concessions program by transferring staff from other career fields. The agency has yet to make significant improvements in professionalizing its concessions workforce.

These concerns about why the agency has not hired more staff with business-related skills were echoed by headquarters officials. They indicated there were several reasons why the agency has not hired staff with backgrounds or education in business or hospitality management. The concessions program's senior operations official in headquarters said that most college graduates with a background in business or hospitality management do not want to work for the government or in isolated areas of the country where many parks are located. In addition, according to this official, the Office of Personnel Management's (OPM) regulations slow the hiring process so much that by the time the Park Service can make an offer,

[1] *Follow-up Review of Concessions Management, National Park Service*, U.S. Department of the Interior Office of the Inspector General (Report No. 90-62, Apr. 16, 1990).

an applicant is likely to have taken another job. These comments are consistent with the views expressed in a 1997 report by a Park Service task force on concessions. The report indicated that the procedures set up by OPM for hiring qualified staff in federal agencies are somewhat cumbersome. According to the report, "instead of assisting the agency in finding the most qualified candidate for any specific position, these procedures may serve to deter some qualified candidates from applying." However, this same headquarters concessions official acknowledged that it has been about 5 to 10 years since the agency has made any real effort to hire from colleges. When it made such an effort, it was focused only on universities with large minority populations—as part of an effort to increase the diversity of the agency workforce—and not on colleges and universities known for their business or hospitality management programs.

Concessions Program Staff Receive Little Training

Given the Park Service's approach to staffing these positions, providing sufficient training is especially critical. However, once staff begin working in concessions, they are provided with only limited formal training. For example, the primary training is a 40-hour course on reviewing concessioners' pricing and evaluating their performance. In addition, there is a 40-hour course on concessions contracting, as well as some other periodic training. A grant program also provides funding for a limited number of staff to do such things as take professional development classes or take short-term fact-finding trips to other agencies or private corporations to learn from their operations.

In 1995, a Park Service task force on concessions reported that for many years, the agency's concessions training has been reactive in both its content and timing—the result of current initiatives and influences rather than long-term planning. As a result, according to the report, "the program has failed to give its employees the training they need to manage the complex concessions program." This task force recommended a multiyear strategy for developing a comprehensive training curriculum for concessions staff. However, according to the senior headquarters concessions official who coordinates concessions training, because of limited funding for training, this strategy has not been implemented. This official indicated that the budget for the concessions program is generally sufficient to fund one programwide training class each year. While other funding for training is available in the agency, all programs and career fields compete for this money. Because training for other programs is given higher priority, the concessions program does not usually receive additional funding for training. As a result, according to this official, the

agency is not providing its concessions employees with the training they need to succeed in managing the concessions program. With limited money for formal training, most of the training is done on the job or through mentoring by more senior concessions staff. This has been the agency's practice for many years.

Several internal studies and other documents have addressed the qualifications and training of concessions staff. Table 2 summarizes the key points made in these studies and documents on this issue.

Table 2: Notable Reports and Memorandums That Raised Concerns About the Qualifications and/or Training of Park Service Concessions Staff

Source and date of report/memorandum	Concerns raised by report/memorandum
Report of the Task Force on National Park Service Concessions, U.S. Department of the Interior, Apr. 9, 1990	Concessions staff do not normally have the business, financial, and contracting backgrounds needed to successfully carry out the concessions program.
Follow-up Review of Concessions Management, National Park Service, Report No. 90-62, Office of the Inspector General, U.S. Department of the Interior, Apr. 1990	Agency staff working in concessions do not have sufficient educational backgrounds to perform their work well. The report recommends improving the qualifications of staff working in the concessions field.
Report of the Concessions Management Task Force, U.S. Department of the Interior, Nov. 4, 1991	This report recommends that all agencies within the Department recruit staff for their concessions programs with a basic knowledge of business, including such subjects as contract law and administration, hotel/restaurant management, and financial management.
Memorandum from the Director of the Park Service on Personnel Staffing for National Park Service Concessions, Jan. 12, 1994	The agency needs more concessions staff with education or experience in business, accounting, business law or the hospitality industry. To recruit qualified staff, the Director suggests that the agency look for candidates outside of the government.
Park Service concessions work group, June 1994—findings reported in *Concession Careers Future Task Force Report*, National Park Service, Oct. 97	The agency needs to develop a recruitment program, enhance training and development, and improve career development.
Concessions Management Curriculum Task Force Report, National Park Service, Sept. 1995	The concessions management program has failed to give its employees the training they need to manage the complex concessions program. A systematic, comprehensive employment development program is needed.
Concession Careers Future Task Force Report, National Park Service, Oct. 1997	This report outlines a series of human resource management processes and recommendations to strengthen and professionalize the staff needed to effectively manage concessions.

Source: GAO's compilation of agency documents.

Contracting Practices Are Out of Date, and Many Contracts Have Expired

The concessions contracting practices of the Park Service are out of date and do not reflect the best practices of the federal government, private sector, or other contracting programs within the agency. In addition, the agency has had difficulty addressing its concessions contracting workload

in a timely manner and has experienced chronic backlogs of expired contracts for nearly 10 years. This backlog of contracts has created a disincentive for concessioners to invest in facilities. As contracts have expired, most concessioners have been put under short-term contract extensions lasting between 1 and 3 years. According to several concessioners, such short-term extensions discourage investment because they give concessioners little time to earn a return on their investment. When concessioners invest less in facilities or capital improvements, the condition of lodging facilities is affected. Thus, the backlog of expired contracts contributes to the varying condition of the parks' lodging facilities.

Park Service's Contracting Practices Need Updating

The agency's concessions contracting practices do not reflect the best practices of the federal government or of other contracting programs within the agency. The Park Service uses two major types of contracts: concessions contracts and acquisition, or procurement, contracts. Procurement contracts are subject to the Federal Acquisition Regulation (known as the FAR). Among other things, the FAR prescribes a contracting process that reflects many of the best contracting practices of both the public and the private sectors. Because concessions contracts are not funded by federal appropriations, they are not subject to the FAR. As a result, according to agency officials, the agency has made no attempt to learn how best practices prescribed by the FAR could be applied to the contracting practices of the concessions program.

Concessions contracts and procurement contracts are managed separately in the agency, with little or no communication between the two contracting staffs or sharing of information on best practices. The value of concessions contracts in 1998 was about $765 million, while the value of procurement contracts in the agency was about $167 million. Yet despite the lower dollar value of the procurement contracts, the training and qualification standards prescribed by the FAR for the agency's procurement contracting staff are much higher than the Park Service's standards for the concessions contracting staff.

For example, procurement contracting staff must meet specific training requirements in order to qualify to write contracts of varying values.[2] The greater the value of the contract, the more training is required for contracting staff to execute the contract. Procurement contracting staff must also update their training to keep their skills current. If they do not meet these requirements, they lose their authority to sign contracts. By contrast, concessions contracting staff have no such requirements, although the agency does suggest some limited training. As a result, there is a lower standard for the qualifications of staff executing concessions contracts. As shown in table 3, the qualifications required for concessions staff to write a contract worth $1 million per year—or even $10 million per year—are significantly less rigorous than the qualifications required for procurement staff to write a contract worth $1 million per year.

[2]The Park Service's procurement standards are prescribed by the Department of the Interior's Acquisition Regulations (DIAR), which are consistent with the Federal Acquisition Regulation (FAR).

Table 3: Training and Experience Required to Execute the Park Service's Procurement and Concessions Contracts

	Park Service's procurement contracts	Park Service's concessions contracts
Annual value of contracts (1998)	$167,000,000	$765,000,000
Training required to write contracts of more than $1,000,000	400 hours of training in advanced contract law, negotiation techniques, advanced contract administration, source selection, planning, cost and price analysis, and others.	None. However a 40-hour training course is suggested. The core training relies on mentoring and on-the-job training from other concessions staff.
Experience required to write $1,000,000 contracts	At a minimum, 4 years experience in writing progressively more complex contracts. Contracting officers working on complex, large-dollar-value contracts must have additional specialized training and experience commensurate with their duties.	None.
Continuing education requirement	40 hours of training every 2 years.	None, although various training is suggested.
Consequence of not meeting continuing education requirement	Loss of the authority to sign contracts.	None

Source: Park Service concessions officials and the Department of the Interior's acquisition regulations.

In addition, for procurement contracts, a Park Service official in headquarters is responsible for enforcing compliance with these requirements. If procurement contracting staff are not in compliance with these requirements, they lose their authority to write contracts. In contrast, for concessions contracting, there are no comparable requirements.

The notion of the concessions contracting program learning from the agency's procurement contracting program is not new. A 1990 Park Service task force on concessions management recommended that the agency explore the development of contracting procedures and training requirements similar to those required for the agency's procurement staff. However, this was never done. According to Park Service concessions contracting officials, because they are exempt from the FAR, there has never been an effort made to align the contracting practices of the concessions program with the practices of the agency's procurement contracting program.

Furthermore, according to a Deputy Associate Administrator in the Office of Management and Budget's (OMB) Office of Federal Procurement Policy—the highest contracting policy office in the federal government—there is no reason why any agency or any program activity within an agency cannot apply good contract management principles and practice good contract management as prescribed by the FAR—regardless of whether they are subject to the FAR. This official indicated that the FAR includes many of the best contracting practices of both the public and the private sectors. For example, under the FAR, procurement contracting staff are encouraged to write performance-based contracts—meaning contracts that contain incentives for good performance and disincentives for performance that falls below expectations. However, the concessions program has not used performance-based contracts. Several Park Service concessions program officials, including the senior contracting official in headquarters, have indicated that the agency has no plans for moving toward more performance-based contracts. According to the official from OMB's Office of Federal Procurement Policy, performance-based contracts are considered a best practice in the federal government and private industry and should be used wherever possible to provide incentives for better performance from contractors, including concessioners. Moving to more performance-based contracts could help the Park Service better manage concessioners' performance—including their performance in maintaining the condition of lodging facilities.

According to this senior OMB official, an agency can adopt the FAR's principles and practices to help address whatever goal the agency is trying to achieve. As a result, programs that are exempt from the FAR, such as the Park Service's concessions program, have an opportunity to (1) use the best practices prescribed by the FAR in their contracting programs and (2) be more innovative in their contracting, since their contracting authorities provide a great deal of discretion.

Nonetheless, when we discussed this issue with several park and concessions officials, they said the incentives and disincentives that are typically part of performance-based contracts could help to ensure that facilities were adequately maintained. For example, following practices in the hospitality industry, a long-term concessions contract could contain performance-based provisions linking incentives and disincentives to concessioners with how well they maintained their facilities and provided contracted services. In this regard, the long-term contracts for the seven parks included in our review do not contain provisions for investing in facilities during the latter stages of the contracts. As a result, concessioners have less incentive to invest funds to improve or maintain facilities during this period. While most of these contracts were awarded for about 20 years or longer, facility improvements were usually required only during the first 5 years of the contracts.

The Park Service's concessions staff has made no effort to learn what practices prescribed by the FAR would benefit concessions contracting. The senior concessions contracting staff in both headquarters and the Concessions Program Center—the agency's technical support center—were not familiar with the contracting practices prescribed in the FAR. In addition, when the concessions staff were developing regulations and standard contract language to implement the new concessions law passed in 1998, they did not consult with or seek advice from the agency's procurement staff, contracting consultants, or any other outside contracting experts. In fact, the senior concessions contracting official in headquarters indicated to us that the agency made no attempt to include any best contracting practices of either the public or the private sector in the agency's concessions program. Instead, they relied on the staff who were most familiar with the agency's past concessions contracting practices to develop the new regulations. As a result, the Park Service's concessions contracting practices are out of date and are an obstacle to better managing concessioners' activities and performance. In our view, using the best available contracting practices would enhance the agency's ability to improve the performance of concessioners and the facilities and services they provide.

Contracting Backlog Limits the Agency's Ability to Manage Concessioners

In addition to not using the most up-to-date contracting practices, the Park Service has carried backlogs of expired concessions contracts for nearly 10 years. As contracts expire, the agency has put many concessioners under 1- to 3-year contract extensions. This is significant because several of the concessioners we spoke with indicated that there was a disincentive to

invest in facilities when they were operating under extensions because there was such a short time available for them to earn a sufficient return on their investment. As of December 31, 1999, 283 of the 630 concessions contracts and permits had expired. In addition, another 195 contracts or permits will expire by the end of 2001. In total, 478–or about 75 percent–of the agency's 630 concessions contracts and permits either have expired or will expire by December 31, 2001.

Much of the backlog dates from 1990, when the Secretary of the Interior placed a moratorium on concessions contracting because of his concerns about the management of the Park Service's concessions program. To address these concerns, the agency issued new concessions regulations in 1992 and revised its standard concessions contract language in 1993. However, by 1995, only limited contracting had occurred, and 95 percent of the agency's concessions contracts had expired. From 1995 to 1998, the agency focused on extending expired contracts for short terms—generally 1 to 3 years. Little contracting was done during this period, according to agency officials, because of uncertainty created by pending legislation proposing changes to the agency's concessions law. In November 1998, the National Parks Omnibus Management Act of 1998 became law. Title IV of this act included a new concessions law for the agency. No contracts have been written since the new law was passed because the agency has been promulgating regulations and developing standard contract language to begin contracting under its new authority.

This backlog of contracts presents a tremendous workload for the Park Service. Some program officials are concerned that the agency may not have enough experienced staff to address its contracting needs in a timely manner. For example, the Chief of Concessions indicated that one of her top priorities is expanding the capacity of the agency to write contracts. This concern about capacity suggests that the agency may need several more years to eliminate its backlog of concessions contracts.

Other factors could also affect the agency's ability to address its contracting backlog. The Chief of Concessions indicated that delays in finalizing the agency's concessions contracting regulations—which implement the new concessions law—have further increased the backlog. The agency cannot begin writing contracts until the regulations are finalized. The new concessions law was passed in November 1998, and the regulations implementing this law were published for comment in June 1999. The comment period ended in October 1999, and the agency has since

been reviewing comments and finalizing the regulations. However, as of March 23, 2000, the regulations had yet to be made final.

Concerns about addressing the backlog of contracts are significant because this backlog affects the condition of lodging facilities. Several of the concessioners we spoke with during this review were operating under 1- to 3-year extensions of expired contracts. They indicated that there is a disincentive for them to invest in facilities when they are under such extensions because 1 to 3 years may not be enough time for them to generate a sufficient return on their investments. Furthermore, several Park Service and concessioner officials told us that these short-term extensions create uncertainty about how long a concessioner will be operating at a park. This uncertainty makes it difficult for concessioners to justify any major upgrading of their facilities. If this backlog of contracts continues for several more years, it could further affect both the level of investment in concessions facilities and the condition of these facilities. In fact, in commenting on a draft of this report, the National Park Hospitality Association—an industry association that represents park concessioners—stated that the backlog of concessions contracts has had a devastating effect on the concessions programs in many parks and has contributed to both a loss of capital investments and delays in moving forward on many facility improvements.

Management of the Concessions Program Lacks Accountability

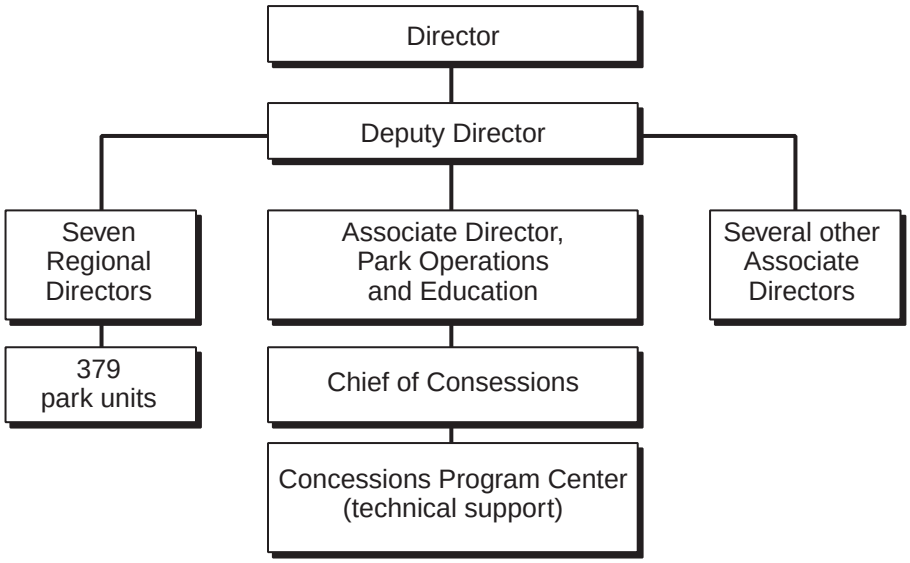
The Park Service's approach to managing the concessions program lacks accountability. Under the agency's organizational structure, the head of the program—the Chief of Concessions—has no direct authority over those that implement the program in individual park units. Thus, the organizational structure of the agency limits the impact that the head of the program or other central offices can have on its ultimate success. In addition, individual park superintendents are given broad discretion in managing their parks' concessions programs. However, according to agency officials, the superintendents are not held accountable for the results of their parks' concessions programs.

Organizational Structure of the Program Impedes Accountability

Managing a park's concessions program is one of the many responsibilities of a park superintendent. The superintendent and the park staff implement the agency's concessions program and make decisions about how the program will be run. The superintendent makes or approves decisions on such matters as hiring agency staff for the park's concessions program, determining how much of a park's budget and staff will be dedicated to

concessions, and rating a concessioner's performance during required annual evaluations. However, there is no direct reporting relationship between the park superintendents and their staff and those who lead the program in the agency's regional and headquarters offices. As illustrated in figure 5, each park superintendent reports to one of seven regional directors, who in turn report to the Director of the National Park Service. While there is a Chief of Concessions in the agency's headquarters office, this position reports to an associate director—who is part of the agency's senior management team–who in turn reports to the Director. This situation results in a lack of accountability that undermines the effectiveness of the concessions program's overall management.

Figure 5: Abridged Organization of the National Park Service



Source: National Park Service.

One example of how this condition impedes accountability between the Chief of Concessions and the individual park concessions staff is the lack of meaningful data available to the Chief of Concessions on the performance of park concessioners. For instance, the former Chief of Concessions (who retired during the course of our review) told us he did not have information on the condition of lodging facilities in the parks. He indicated that our review would provide him with valuable information about the condition of these facilities. He did not have such information

because, although the condition of facilities is generally known by local park managers, it is not generally known or reported to higher levels within the agency. Agency officials indicated that this is the case because the agency's organizational structure is highly decentralized. The lack of information on the conditions of facilities contrasts with the best practices of other organizations with similar responsibilities. For instance, in the private sector, the hotel and motel industry uses quality assurance inspection teams to periodically inspect local hotel operators to ensure that they are meeting corporate quality standards for the condition of services and facilities. Typically, these teams operate out of an organization's central offices and report to the top management of the organization. Similarly, within the federal government, the Department of Defense uses inspection teams to ensure the quality of many of the hospitality assets it manages, such as officers' clubs and lodging facilities available to military staff. Both the private industry and the Department of Defense use the independent inspection process to (1) evaluate performance and (2) identify possible trends or problem areas that need to be addressed on a broader basis.

In addition to its headquarters and regional offices, the Park Service has a technical assistance group for concessions issues, called the Concessions Program Center, located in Denver, Colorado. This center was created in 1994 as a resource available to all park managers and concessions staff in running their concessions programs. The center has staff with expertise in accounting, appraisal, financial analysis, planning, and concessions contracting. This center is considered by agency staff to be an extension of the headquarters concessions office. While the Concessions Program Center has technical expertise, it serves principally in an advisory capacity to the parks implementing the concessions program. Park managers are not required to use the resources available at the center. Hence, even though the Concessions Program Center retains many of the technical experts within the agency's concessions program, their advice and counsel may not be sought or fully considered by parks in managing or contracting with concessioners. Thus, the organizational structure of the concessions program limits the impact that the head of the program or the Concessions Program Center can have on its ultimate success.

Parks Are Not Held Accountable for the Success of Their Concessions Programs

In the absence of line authority from the head of the concessions program to park superintendents, the Park Service relies on regional directors to hold the superintendents accountable for the success of their parks' concessions programs. This policy was detailed in an agency directive in 1995, which stated that superintendents and regional directors are

accountable for the proper management of their concessions programs and that the results achieved will be taken into consideration during annual performance reviews. However, officials in the headquarters concessions program office and in the two largest regional offices indicated that this is not happening. (These two regions—the Intermountain Region and the Pacific West Region—account for 52 percent of the agency's concessions contracts and over 75 percent of the concessions revenues.) According to these officials, the regional directors place little emphasis on the concessions program because they rarely consider the parks' performance in managing concessioners when rating the performance of park superintendents. Thus, superintendents are not held accountable for either (1) the performance of their parks' concessions programs, or (2) the performance of concessioners operating in their parks. Moreover, because neither the Chief of Concessions in headquarters nor officials in the agency's Concessions Program Center have direct authority to change or improve this situation, it has not changed. Furthermore, even if the regional officials did place more emphasis on assessing the performance of park officials in managing concessioners, there is currently no mechanism, like inspection teams, for doing so.

This lack of accountability is not consistent with recent efforts to improve accountability and program performance as the Park Service, like other federal agencies, implements the requirements of the Government Performance and Results Act of 1993 (GPRA) and other related initiatives. GPRA was designed to hold federal agencies, and the programs they manage, more accountable for achieving improved performance and results. Under GPRA, federal agencies are to develop annual performance plans that, among other things, establish (1) performance goals and (2) a means to measure progress towards attaining these goals. However, even though the performance of concessioners is a key ingredient in providing services to millions of park visitors annually, the Park Service has not identified any annual performance goals specifically related to improving its long-standing concessions management problems. The only concessions-related goal mentioned is directed at increasing the rate of return to the government generated from concessions contracts.

Like many of the other issues involving concessions management, concerns about accountability in the concessions program have been raised several times since 1990 by task forces, the Inspector General, and others within the agency. Table 4 provides a chronology of various reports and documents that discussed the need for accountability within the concessions program.

Table 4: Notable Reports or Documents That Discussed the Need for Accountability Within the Concessions Program

Source and date of report or document	Concerns raised by report or document
Report of the Task Force on National Park Service Concessions, U.S. Department of the Interior, Apr. 9, 1990	The Park Service needs to raise the level of responsibility for negotiating contracts, create professional teams to inspect concessions operations, and improve accountability for managing activities.
Special Directive 95-9 on Revised Delegation of Authority for Concessions Contracting, National Park Service, U.S. Department of the Interior, July 11, 1995	Since the concessions program involves the long-term commitment of significant resources and could lead to a perceived loss of revenues, each park manager and field director will be accountable for the proper management of concessions under his/her authority.
Concession Careers Future Task Force Report, National Park Service, Oct. 1997	Uncertainty exists about the roles and responsibilities of concessions staff at headquarters, regional and support offices, and parks. Given the agency's organizational structure, the report raised questions as to who is ultimately responsible and accountable for managing concessions staff in the concessions program.
Concession Contracting Procedures, National Park Service, Report No. 99-I-626, Office of the Inspector General, U.S. Department of the Interior, June 1999	The lack of accountability in managing concessions created confusion within the program because staff were uncertain about who does what and who works for whom. The report indicated that this confusion contributed to delays in processing concessions contracts.

Source: GAO's compilation of agency documents.

As these analyses show, these issues related to accountability have led to confusion among the concessions staff about their roles and responsibilities. For example, the October 1997 Park Service task force report noted that there was uncertainty about the roles and responsibilities of concessions staff at headquarters, regional offices, and parks. That report raised questions about who is ultimately responsible for (1) managing the agency's concessions program staff and (2) ensuring accountability in the concessions program, given the agency's decentralized organizational structure. Similarly, the 1999 report from the Department of the Interior's Office of the Inspector General indicated that the lack of accountability created confusion within the program because staff were uncertain about "who does what" and "who works for whom."

This report indicated that this confusion contributed to delays in writing concessions contracts.

The Park Service has made an effort to resolve this confusion. In February 1999, the agency sent a memorandum to its regional directors outlining what levels of the agency have responsibilities for completing various concessions tasks, such as planning, contracting, and financial analysis. This memo was distributed in response to concerns raised during the Inspector General's review about confusion over responsibilities. However, our work, which we conducted after the memorandum was issued, suggests that some confusion remains about responsibilities for key aspects of the concessions program. For example, the Chief of Concessions indicated that for most parks, staff in regional offices will take the lead in issuing new concessions contracts as the previous ones expire. However, according to staff in several of the parks we visited, there are no longer enough staff in the regional offices to meet their contracting needs, and the parks may take the lead in contracting. In addition, at Olympic National Park in Washington, the concessions specialist indicated that with a recent retirement, the regional office would have only two people to meet the needs of all the parks in that region. Consequently, he did not think the regional office would be able to keep up with the parks' contracting workload. This official believes he will be responsible for taking the lead in planning and writing new contracts for the four different lodging concessioners in that park. He was concerned about writing the contracts because, although he viewed himself as knowledgeable in overseeing park concessioners, he considered himself "a novice" at writing contracts.

Aside from the confusion over responsibilities, other significant problems within the concessions program reflect the need for better accountability. These include (1) a lack of consistent and effective oversight of concessioners' performance, and (2) wide variation in the priority given to concessions management by park managers.

We asked park officials and concessioners whether sufficient enforcement tools exist to hold concessioners accountable for how they perform. Most of these officials believed that sufficient enforcement tools exist. They indicated that the main enforcement tools are the periodic park inspections and/or annual evaluations of concessioners' operations because these serve as a basis for park managers to assess concessioners' performance. If a concessioner's performance is poor, park officials may give a marginal or unsatisfactory rating. An unsatisfactory rating in the annual evaluation for any year, or a marginal rating for 2 consecutive years, constitutes grounds

for terminating a contract. However, we found that these tools were being used inconsistently across the agency.

Our review of the Park Service's annual evaluations of concessioners for 1997 and 1998, as well as other reviews of concessioners' operations, indicated that virtually all concessioners received a satisfactory rating. Concessioners generally received such a rating regardless of the condition of their facilities. For example, at Death Valley, Mammoth Cave, and Shenandoah national parks, we found obvious problems with the condition of the lodging facilities, but the concessioners at these parks all received satisfactory ratings from the local park managers.[3] The park managers at these locations were not held accountable for these deteriorating conditions.

Another sign of the concessions program's lack of accountability is that the parks in our review gave widely varying priorities to overseeing concessioners. For example, the seven parks we visited each manage concessioners that are among the largest in the agency. Five of the seven parks we visited had between one and three staff working full-time on concessions, and two parks (Mammoth Cave and Death Valley) each had one person working less than one-quarter time on concessions as a collateral duty. While, collateral duty staff work part-time on concessions, their principal duties are generally in other areas, working, for example, as park rangers or administrative staff. Officials at the two parks with collateral duty concessions staff indicated that the parks could do a much better job with their concessions program if they had a person responsible full-time for concessions issues at the park. At Mammoth Cave, a park official indicated that the park was doing the "bare minimum" by running the program as a collateral duty for one park staff member. The person responsible for concessions was spending 10 to 20 percent of his time on concessions. Similarly, at Death Valley, the park official responsible for concessions indicated that he spent about 20 percent of his time on concessions. He said that he thought a full-time person handling these responsibilities would do a better job. In his view, one of the reasons the facilities had deteriorated at Death Valley was a lack of oversight by the park.

[3]Shenandoah National Park rated its lodging concessioner as satisfactory in 1997 and marginal in 1998. Park officials indicated that the marginal rating was principally the result of recurring health and safety problems in this concessioner's food service program—not the condition of its lodging facilities.

The decisions made by park managers at Death Valley and Mammoth Cave to handle concessions management as a collateral duty is indicative of the relatively low priority assigned to these activities. Both of these parks have over 100 full-time staff yet do not have one staff person dedicated to concessions.[4] According to the head of the Concessions Program Center, "if [having a full-time person handle concessions were] a high enough priority for the Superintendent, then a position would currently be funded." In our view, these widely varying approaches to managing the performance of concessioners is another reflection of the lack of accountability within the program. Perhaps the most concrete example of the impact of this situation occurred at Death Valley, where park managers put such a low priority on managing concessions that basic aspects of oversight—conducting an inspection and preparing an annual evaluation of the concessioner's performance—were not performed in 1998. In addition, there do not appear to have been any consequences to the park for not carrying out these responsibilities. In fact, concessions staff at the region and headquarters were not aware that these required tasks had not been performed until we told them.

Once again, concerns about the use of collateral duty concessions staff are not new. Since 1990, as shown in table 5, a number of task force reports and other documents have raised concerns about the use of collateral duty concessions staff. For example, the 1990 Park Service task force on concessions raised concerns about the use of collateral duty concessions staff. The task force report recommended that the agency cut back on assigning concessions management responsibilities as secondary duties to employees who work primarily as rangers, administrative staff, or other park staff. In addition, a 1997 task force report indicated that the increasing level of complexity and depth of expertise required to manage concessioners is such that "collateral duty employees are generally not able to master the skills needed to perform the full scope of their responsibilities."

[4]In fiscal year 1998, Mammoth Cave had 131 full-time-equivalent staff while Death Valley had 101.

Table 5: Notable Task Force Reports or Documents That Raised Concerns About the Use of Collateral Duty Staff in Managing Concessions

Source and date of report or document	Concerns raised by report or document
Report of the Task Force on National Park Service Concessions, U.S. Department of the Interior, Apr. 9, 1990	The report recommended that the agency cut back on assigning concessions management responsibilities as a secondary duty to employees who work primarily as rangers, administrative staff, or other park staff.
Report of the Concessions Management Task Force, U.S. Department of the Interior, Nov. 4, 1991	Many collateral duty staff have little formalized training in concessions management. The report recommended that the agency limit the practice of having staff manage concessions as a collateral duty.
Memorandum from the Director of the Park Service on Personnel Staffing for National Park Service Concessions, Jan. 12, 1994	The agency needs to increase the numbers and improve the quality of concessions staff. Additional or secondary duties must be held to a minimum.
Park Service concessions work group, June 1994—findings reported in *Concession Careers Future Task Force Report*, National Park Service, Oct. 1997	The agency should provide for less dependence on collateral positions.
Concession Careers Future Task Force Report, National Park Service, Oct. 1997	This report indicated that the increasing level of complexity and depth of expertise required to manage concessioners is such that collateral duty employees are generally not able to master the skills needed to perform the full scope of their responsibilities.

Source: GAO's compilation of agency documents.

Other Factors May Also Affect the Condition of Lodging Facilities

While our analysis indicates that the Park Service's overall approach to managing the concessions program is the most significant factor affecting the condition of the parks' lodging facilities, several other factors can affect the condition of these facilities to varying degrees. During our visits to each of the seven parks in our sample, we asked park officials and concessioners what they thought were the most significant factors affecting the condition of the lodging facilities. We discussed such factors as the use of historic structures, the Park Service's rate approval process, the extent of revenues going back into maintaining or improving facilities, whether the facilities were owned by the concessioner or by the

government, whether the concessioner was operated seasonally or year-round, the management of the concessioner, and others.

At these seven parks, the views of park and concessions staff on what factors significantly affected the condition of the parks' lodging facilities were mixed and could not necessarily be correlated to the conditions we found at the parks. For example, views varied on whether the ownership of lodging facilities was a factor affecting their condition. In some parks, such as Shenandoah, and Sequoia-Kings Canyon, concessions facilities are largely owned by the concessioners. In other parks, such as Bryce Canyon, Zion, and Death Valley, the concessions facilities are mostly government-owned. In still other parks, such as Mammoth Cave and Olympic, the ownership of the facilities is mixed, with some owned by the government and others owned by the concessioners. In commenting on whether the ownership of facilities affected their condition, some park officials thought that facilities owned by the government would generally be in better condition than facilities owned by concessioners. Other park officials did not feel strongly about this. Similarly, some park concessioners thought that facilities owned by concessioners would generally be in better condition. However, other concessioners did not agree with this or did not feel strongly either way. At parks with a mix of government- and concessioner-owned facilities, park and concessions officials generally agreed that there was no discernable difference in the condition of the two types of facilities. On the basis of our observations, the ownership of facilities did not appear to be a factor affecting their condition. Some government-owned facilities were in very good condition, and some were in very poor condition. We found the same was true for concessioner-owned facilities.

Views were similarly mixed on a number of other factors that may affect the condition of lodging facilities, including their designation as historic structures, seasonal versus year-round operations, the Park Service's rate approval process, and others. However, there were a few factors on which park and concessioner officials widely agreed. One factor was the extent of revenues that concessioners were required by their contract to put into a special set-aside account. Funds from this special account would later be used by the concessioner to repair and/or improve concessions facilities. Most, if not all, of the park and concessioner officials we spoke with indicated that the extent and use of special accounts to repair and/or improve concessions facilities was a very positive factor affecting the condition of lodging facilities. The National Parks Hospitality Association also noted that special accounts are very important for repairing and

maintaining government-owned concessions facilities. While the views were largely consistent on the positive effects of using special accounts to repair and improve concessions facilities, the use of special accounts did not necessarily ensure that lodging facilities would be kept in good repair. For example, our work showed that some of the parks with the best lodging conditions, such as Bryce Canyon and Zion, used special accounts to keep facilities in good shape, but one of the parks where the lodging facilities were most in need of repair–Death Valley–also used a special account.

Similarly, although park and concessioner officials viewed the parks' evaluation and oversight of concessioners' operations as significant factors affecting the condition of facilities, these factors did not necessarily ensure that concessioners maintained facilities in a satisfactory condition. For example, we found that the lack of oversight in Death Valley National Park contributed to the run-down condition of its lodging facilities. On the other hand, continuous monitoring, oversight, and documentation of repair and maintenance problems at Shenandoah National Park have not led to the correction of repair and maintenance problems at facilities in the park.

One factor on which there was widespread agreement among park and concessioner officials was the concessioner's management. The officials told us the commitment and capabilities of the concessioner's management significantly affect the condition of the facilities. For example, at Bryce Canyon National Park—where the facilities are in very good condition—park officials told us that the concessioner had a strong general manager who was committed to operating high quality facilities. In several other parks—Death Valley, Mammoth Cave, Sequoia-Kings Canyon, and Shenandoah—the condition of lodging facilities has suffered somewhat because of the management performance of the concessioner. At Death Valley and Mammoth Cave, park and concessioner officials told us, the former concessions managers did not want to improve facilities. At Sequoia-Kings Canyon, the former concessioner let facilities deteriorate over a number of years, and at Shenandoah, the concessions manager has allowed repair and maintenance problems to persist for several years.

Conclusion

While the Park Service's concessions program affects millions of park visitors each year, the management of the program continues to be plagued by some of the same problems that were identified 10 years ago. The consequence of not hiring more qualified staff, not training them well, and having limited accountability within the concessions program is a

reflection of the relatively low priority the agency has given the program. Now, a number of obstacles must be overcome to improve the agency's ability to manage the performance of concessioners operating in the parks. Because the Park Service has not managed concessioners effectively, there is wide variation in their performance—including, among other things, the condition of park lodging facilities.

Agency and Industry Comments and Our Evaluation

The Department of the Interior generally agreed with the findings in the report. The National Park Hospitality Association raised three main points in its comments. First, the association suggested that the backlog of expired concessions contracts was the single most important factor affecting the Park Service's concessions program, including the condition of concessions facilities. We agree that this backlog is one of the key management problems currently facing the concessions program. Second, the association indicated that ownership provides concessioners with incentives to keep facilities in good condition. While there may be such incentives, our work indicated that ownership of facilities did not appear to be a key factor affecting their condition. We found that some government-owned facilities were in very good condition and some were in very poor condition. The same was true for concessioner-owned facilities. Third, the association indicated that special accounts are very important for repairing and maintaining government-owned concessions facilities. However, our work showed that while special accounts contribute to the upkeep of government-owned facilities, the use of special accounts does not ensure that these facilities will be in good condition. We found that special accounts were used to maintain government-owned concessions facilities both at parks whose facilities were among the best maintained and at parks whose facilities were most in need of repair.

Options Are Available to Address Problems in Managing the Concessions Program

The problems facing the Park Service's concessions program are not new. In fact, many of them have been issues for the agency for 10 years or more. With the new concessions law and subsequent new regulations, the agency has an opportunity to take a new approach to managing this program, and our work shows that a new approach is needed. The choices available to deal with the problems identified in the management of the concessions program center on two options: (1) professionalizing the workforce to obtain better business and contracting expertise or (2) contracting for the needed business and contracting expertise. These two options are not mutually exclusive in that the agency could contract for expertise in certain functions while developing the expertise in-house for other functions. Both options require that the agency better manage its human capital to ensure that it selects, trains, develops, and manages concessions staff who have the skills needed to bring about improvement in the concessions program. However, regardless of which option—or combination of options—is selected, the agency needs to strengthen its accountability for and control over the program. Unless this is done, the effectiveness of other changes will be diminished.

In considering what actions to take, the agency needs to make changes soon, since most concessions contracts have expired, are operating under short-term extensions, or will expire in the next few years. Because contracts can be written with terms of up to 20 years, the commitments made in any new contracts over the next few years will affect the concessions program for a long time. If the agency acts fast, these contracts can include the potential benefits of upgrading the concessions program. However, if changes are slow in coming, then the identified problems are likely to be perpetuated by a whole series of new concessions contracts.

The options we are providing are principally focused on improving the agency's management of its largest concessioners—many of which provide lodging. In our view, once the agency has made changes in the concessions program to address the management of its largest concessioners, the benefits of additional expertise–whether acquired through hiring, training, or contracting—are likely to cascade down to improve the agency's management of its smaller concessioners.

Professionalize and Improve the Training of the Agency's Workforce

One option available to the Park Service concessions program is to change its hiring practices and upgrade its training. Rather than filling positions in the concessions program with staff from other career fields, the agency could encourage the hiring of staff with backgrounds or education in hospitality and/or business management. Through this approach, the agency would gradually develop greater in-house expertise in managing concessioners. In addition, the agency could upgrade the training of its concessions contracting staff so that their qualifications are similar to those of the agency's procurement contracting staff.

Furthermore, the demographic profile of the current concessions staff would suggest that now would be a particularly good time to begin hiring more qualified staff. According to the agency, about 33 percent of its concessions staff are over 50. With such a large percentage of the workforce in this age bracket, the agency is already in the position of needing to recruit additional staff into the program to backfill for staff that may be retiring. In fact, the Chief of Concessions indicated that succession planning is one of her top priorities.

By changing its hiring practices to recruit staff with backgrounds in hospitality or business management, the agency would be applying the same approach to recruiting that it applies to recruiting for many other career fields–hiring staff with education and/or experience appropriate for the work they will be doing. For example, many staff in the interpretive ranger career field have backgrounds in history, education, science, recreation, or other related fields. The staff managing natural resources frequently have backgrounds in biology, botany, ecology, agronomy or other resource related fields. By hiring staff with backgrounds appropriate for concessions, the agency would both align its hiring practices for concessions with its hiring practices for other career fields and improve the qualifications of its concessions staff.

In addition to changing its hiring practices, the agency could upgrade the training and qualifications of its concessions contracting staff to be similar to those of its procurement staff. To assist with this, there may be a role for officials from the Department of the Interior. Under the FAR, the Department's Office of the Procurement Executive is responsible for ensuring that all procurement staff are sufficiently qualified to write procurement contracts. This office could also be responsible for ensuring a similar competency for the Park Service's concessions contracting staff. In fact, officials from this office agreed that they could provide some

assistance in this area to the concessions program. If the standards on training and qualifications for procurement contracting staff were applied to concessions contracting staff, there would be a significant improvement in the training and qualifications of the concessions contracting staff.

The benefit of selecting this option would be a more qualified, better-trained, and professional workforce. This staff would be in a position to make better business-related decisions and write contracts that incorporate the best practices of the private and the public sectors. The agency would not need to rely on staff who consider themselves "novices" in contracting to write and execute multimillion-dollar concessions contracts. A more qualified concessions contracting staff would be an asset to the agency as it seeks to reduce its backlog of expired and expiring concessions contracts.

However, there are also some costs and risks in pursuing the option of professionalizing the workforce. Because of the backlog of expired, expiring, and extended contracts, the agency has an immediate and substantial workload that needs to be addressed. The process of professionalizing its staff will take time, since staff need to be hired and training needs to be conducted. As a result, if the agency chooses to professionalize its workforce, it may further delay its contracting workload while it pursues this effort, thereby increasing the backlog and potentially affecting the condition of concessions facilities.

Providing additional training to concessions staff would also cost money. According to concessions staff, there is generally only enough training funding available to the concessions program to pay for one programwide 40-hour class each year. Providing a level of training comparable to that received by procurement contracting staff would require much more than a single week-long class. To fund such a training curriculum, the parks, concessions program, or agency would have to shift its funding priorities, obtain more money via appropriations, or find other funding sources. Because increased appropriations are unlikely, the agency may have to reconsider the relative priorities of all training and other activities within the agency. This could mean that if additional concessions contracting training were provided, some other training or activities within the agency would receive less funding.

Instead of shifting priorities from other training or activities, the agency could tap one other potential source of funding for additional concessions training. Under the new concessions law, 80 percent of concessions fees

stay at the parks where they are generated and 20 percent are available for use at the discretion of the agency. In 1998, the Park Service collected about $16.5 million in concessions fees. Twenty percent of these fees would be about $3.3 million. Using this money, the Park Service could fund many, or perhaps all, of its additional training needs. If it chose to do so, however, the trade-off would be that this $3.3 million would not be available to fund various improvements in the parks.

Finally, while there are benefits and risks in pursuing this option, the agency's past record in taking action to change its hiring practices and upgrade its training is not encouraging. Many of the concerns we have raised in this report about the qualifications of its concessions staff have been raised repeatedly over the past 10 years by the Department of the Interior's Inspector General and by several different departmental or agency task forces. Several times over this period, the Park Service has generally agreed that it needs to professionalize its concessions workforce. However, our work indicates that there has not been significant progress in this area. Hence, the agency's past performance suggests to us that there can be little confidence that the agency will address these issues.

A 1997 Park Service task force report also expressed concern about the agency's not making needed improvements in its management of the concessions program. The report indicated that the greatest single barrier to the effective management of human resources within the concessions program was the potential lack of commitment from agency management. According to the report, "[t]here is only one scenario that may be more harmful to the Concessions Management Program than management's withholding its commitment to [professionalizing the workforce]. That scenario would involve management saying that it is committed when in fact it is unwilling or unable to be."

Contract for Needed Business and Contracting Expertise

Instead of professionalizing its workforce, the Park Service could contract for the expertise it needs to operate a more businesslike concessions program. Contractors could be hired to handle a number of financial and business related tasks, such as planning, writing prospectuses, performing financial analysis, assisting with contracting, and evaluating the performance of concessioners. This concept is consistent with the guidance provided in OMB Circular A-76, which encourages federal agencies to perform only those activities that are governmental in nature—such as managing resources—and let private firms handle business related activities. In fact, OMB Circular A-76 specifically mentions several

activities that could appropriately be handled by private firms under contract with federal agencies. These activities include (1) providing assistance to contract management, (2) providing technical evaluation of contractors' proposals, (3) providing inspection services, and (4) assisting with evaluating contractors' performance. Each of these areas is a critical component of the Park Service's concessions activities. In addition, the concept of contracting with private entities to conduct or assist with elements of managing concessioners was encouraged in the agency's concessions law—the National Parks Omnibus Management Act of 1998.

There would be several benefits of contracting for business-related staff. For example, through contracting, the agency could obtain a highly qualified workforce in a short period of time. In addition, the agency would gain some workforce flexibility because it could adjust its staffing in accordance with its upcoming workload. For example, it could bring contractor staff on to handle its backlog of expired and expiring concessions contracts and then release these staff when the backlog is eliminated. By contracting for additional staff, the agency would not have to spend money to train its own staff. Instead it would essentially purchase the expertise it needs by using contractor personnel who are already trained and knowledgeable about current industry practices and trends.

Furthermore, contracting for certain functions could improve performance as well as reduce some of the agency's costs. For example, park concessions staff traditionally inspect concessioners' facilities and operations. These inspections can be subjective, and standards can be applied differently from park to park. If the agency centralized and contracted for this function, it could perhaps perform inspections with fewer people and yet achieve greater consistency across the agency. With this function handled by contractors, park staff could then focus on other mission-related activities, such as managing park resources and serving park visitors.

Hiring contractors to help the agency oversee other contractors (concessioners) would be consistent with recent reforms the Park Service made in its construction program. Because of congressional concerns about the cost of its construction projects, the Park Service has changed how it supervises most of its construction projects. Instead of maintaining a skilled in-house workforce of engineers and architects who travel across the country to park units to supervise the construction of visitor centers, administrative buildings, and other park facilities, it now contracts for this function with a number of architectural and engineering firms across the

country. By doing so, the agency is saving money, since it pays only for the number of skilled staff it needs to meet its current construction oversight needs.

While contracting could reduce some costs in the concessions program, it could also increase other costs. In particular, costs would increase if the agency were to contract for larger numbers of highly skilled staff than it currently maintains. However, some of these increased costs could be mitigated by savings resulting from centralizing certain functions, such as inspections, as previously discussed. In addition, increased costs could be mitigated by (1) reducing the number of agency staff in the concessions program or (2) potentially obtaining greater returns to the government from concessions contracts through the use of a more qualified workforce for contracting and overseeing concessioners.

If the agency were to hire contractors to handle much of its business-related concessions workload, then some portion of the current concessions workforce might no longer be needed to perform these functions. As discussed, a significant percentage of the current concessions workforce is near retirement. Thus, some desired reduction in the agency's concessions staff could be handled through attrition, as staff retire. In addition, since most concessions staff came into the concessions program from some other career field within the agency, they have a variety of skills in park or administrative-related fields. If any further reduction in the concessions staff were desired, these staff could be transferred to other career fields in the agency for which they are qualified.

Finally, another benefit of gaining expertise through contracting is the expectation that better business practices and better concessions contracts may produce greater returns to the government from concessions. One of the intentions of the new concessions law was that it would increase competition in the award of new concessions contracts. Under the previous concessions law, most concessioners had a preferential right of renewal when their contract expired. This preference tended to have a chilling effect on competition because qualified businesses were reluctant to spend time and money preparing bids when the award was most likely going to the incumbent concessioner. As competition for concessions contracts increases, concessioners may bid more for the rights to operate park concessions than they previously paid. (Greater competition may also increase the number or quality of services concessioners provide to park visitors.) This same law also allows the agency to retain all fees generated from concessions contracts. Therefore, any additional returns from

concessioners could offset some portion of the costs of contracting for more qualified staff in the concessions program.

Improve Accountability for the Concessions Program

Regardless of the option or combination of options selected, it is important that changes be made to strengthen the Park Service's accountability for and control of the concessions program. Unless changes are made to better link the concessions programs at individual parks with the agency's leadership of the concessions program, efforts to improve the program through the suggested options are unlikely to succeed.

For example, if the Chief of Concessions decides to improve the program by hiring staff with backgrounds or education in business or hospitality management, then park superintendents would implement this decision, since they are responsible for hiring staff in parks. However, if the superintendents were not held accountable for their concessions-related hiring practices, then the efforts of the Chief of Concessions to improve the qualifications of concessions staff would not likely be implemented. This concern was discussed in a 1997 agency task force report on concessions, which listed several barriers to hiring highly qualified staff for concessions positions. One such barrier was that officials making hiring decisions, such as park superintendents, "may not share a Servicewide programmatic perspective and instead may make personnel decisions based on factors other than what may be in the best long-term interest of the agency. . . ." This is cause for concern because, as the report indicates, (1) the Park Service "is a decentralized organization whose various parts function with considerable autonomy" and (2) individual hiring decisions made by park superintendents can have a "substantial long-term effect on the Service's Concessions Management Program as a whole."

Similarly, the considerable autonomy of park superintendents and the agency's accountability structure could be an obstacle if the Chief of Concessions sought to gain expertise by contracting for certain functions of the concessions program. In order for contracted expertise to be able to improve the performance of the concessions program, the current accountability structure of the agency would need to be changed to ensure that the work and advice of the contractors were fully considered when park superintendents made concessions decisions.

In a recent report, the Department of the Interior's Office of the Inspector General raised concerns about how the concessions program fits into the Park Service's accountability structure.[1] The report made several recommendations to the Park Service including, (1) adding a critical element for the successful completion of concessions duties in the performance standards of officials, such as superintendents, who are involved in concessions activities; and (2) making a senior management official, such as the agency's Deputy Director, responsible for ensuring that park superintendents and regional directors successfully perform their concessions responsibilities. In August 1999, the Director of the Park Service sent a memorandum to each regional director stating that the performance of park concessions programs will be considered during annual performance reviews for each park superintendent with a concessions program. However, according to the Chief of Concessions, she is not sure if this direction has been implemented. In addition, according to our review, the agency does not appear to be making a senior management official, such as the agency's Deputy Director, responsible for ensuring that park superintendents and regional directors successfully perform their concessions responsibilities. Hence, significant changes have yet to be made to the accountability structure of the concessions program.

Conclusions

While the Park Service has recognized many of the problems facing the management of its concessions program, it has not yet been able to make significant progress in addressing them. The extent of these problems requires the agency to make difficult choices on how best to manage the performance of its concessioners in order to ensure that high-quality facilities and services are provided to the hundreds of millions of people who visit the parks each year. Unless the agency takes action, its concessions program will continue to provide facilities and services whose quality varies considerably from park to park. In our view, the agency can do more to strengthen the accountability of the concessions program. While the agency indicated in August 1999 that the performance of park concessions operations will be considered during superintendents' performance reviews, it provided similar emphasis on concessions in 1995, which did not result in superintendents being more accountable for their concessions programs. Thus, in our view, it is unlikely that the emphasis provided in the August 1999 memorandum will significantly improve the

[1] *Concessions Contracting Procedures: National Park Service*, U.S. Department of the Interior, Office of the Inspector General (Report No. 99-I-626, June 30, 1999).

program's accountability. Hence, further actions are needed to better align the concessions program so that those implementing the program in individual parks are more accountable to those managing and leading the concessions program agencywide.

Recommendations to the Secretary of the Interior

We recommend that the Secretary of the Interior require the Director of the Park Service to increase the effectiveness of the concessions management program by improving the qualifications of the concessions staff (including improving their training in writing and administering contracts), contracting for these services, or using some combination of the two approaches.

We further recommend that the Secretary require the Director of the Park Service to improve the accountability of park managers by establishing a formal process for performing periodic independent inspections of concessioners' lodging operations throughout the park system. These inspection teams should determine if the facilities and services being provided meet the agency's standards and report identified deficiencies to the head of the agency for corrective action.

Agency Comments and Our Evaluation

The Department of the Interior generally agreed with the findings and recommendations in the report. The Department stated that the recommendations offered an opportunity to strengthen and reform the Park Service's concessions program. The Department also indicated that the Park Service is already taking actions to address some of the problems with the concessions management program that were discussed in the report and is actively considering other actions, such as moving toward more performance-based contracting. We believe that the Department's comments are a positive step and will help improve the program if they are implemented.

Results of GAO's Inspections of Lodging Facilities in Two Parks

This appendix summarizes the results of our inspections of the lodging facilities at Olympic and Sequoia-Kings Canyon national parks. To determine the condition of lodging facilities at these parks, we used common industry standards for inspecting lodging facilities to develop an evaluation checklist. The checklist included criteria for the condition of both the exterior of the facilities and the rooms. Specifically, to assess the condition of the facilities' exteriors, we examined lodging structures, grounds, public rest rooms, and public signs. To assess the condition of the rooms, we examined (1) safety and security features, (2) the availability of furnishings, (3) the quality of the housekeeping, and (4) the repair and maintenance of these rooms.

Olympic National Park

Olympic National Park, located in northwest Washington State, consists of about 900,000 acres of diverse resources, including glaciers, valleys, lakes, ocean beaches, and a temperate rain forest. Nearly 96 percent of the park is designated as wilderness.

Within the park, four different concessioners operate both government-owned and concession-owned lodging facilities, including lodges, cabins, cottages, and hotel-/motel-type facilities. The four concessioners are as much as 80 miles from each other. The facilities are Kalaloch Lodge with 64 rooms, operated by ARAMARK; Lake Crescent Lodge with 52 rooms, operated by National Park Concessioners, Inc.; Log Cabin Resort with 28 rooms, operated by a private partnership; and Sol Duc Hot Springs Resort with 32 rooms, also operated by a private partnership. Only Kalaloch Lodge is open year-round; the other three facilities are open approximately from late spring to fall. The facilities were built as early as 1916 (the lodge at Lake Crescent resort) and as recently as 1998. Most of the units were built during the 1950s, 1960s, and 1980s. At each of the four facilities, the Park Service owns some of the lodging, but at each site, the government owns less than a majority of the lodging units. None of the lodging facilities have telephones or televisions in the guest rooms in accordance with a policy established by the park. We inspected 9 rooms at three locations and 10 at the fourth site.

At Kalaloch Lodge, the room rates during the peak season (early June to early October) are $73 to $208 per night in the lodge, $152 to $211 in the bluff cabins, $127 to $155 in the log cabins, and $119 to $130 for nine other units. The rates at Lake Crescent Lodge range from $104 to $140 per night for the cottages, $100 to $116 per night for the motor lodge and nonhistoric lodge, and $65 per night for a room in the historic lodge with a central

bathroom. The rates at Log Cabin Resort range are $49 per night for camping log cabins (no indoor plumbing), $75 for rustic cabins, $90 for rustic cabin with a kitchenette, $106 for a lodge room, and $122 for chalet rooms. The rates at Sol Duc Hot Springs are $92 per night for one or two persons in a noncooking cabin and $112 for a kitchen cabin.

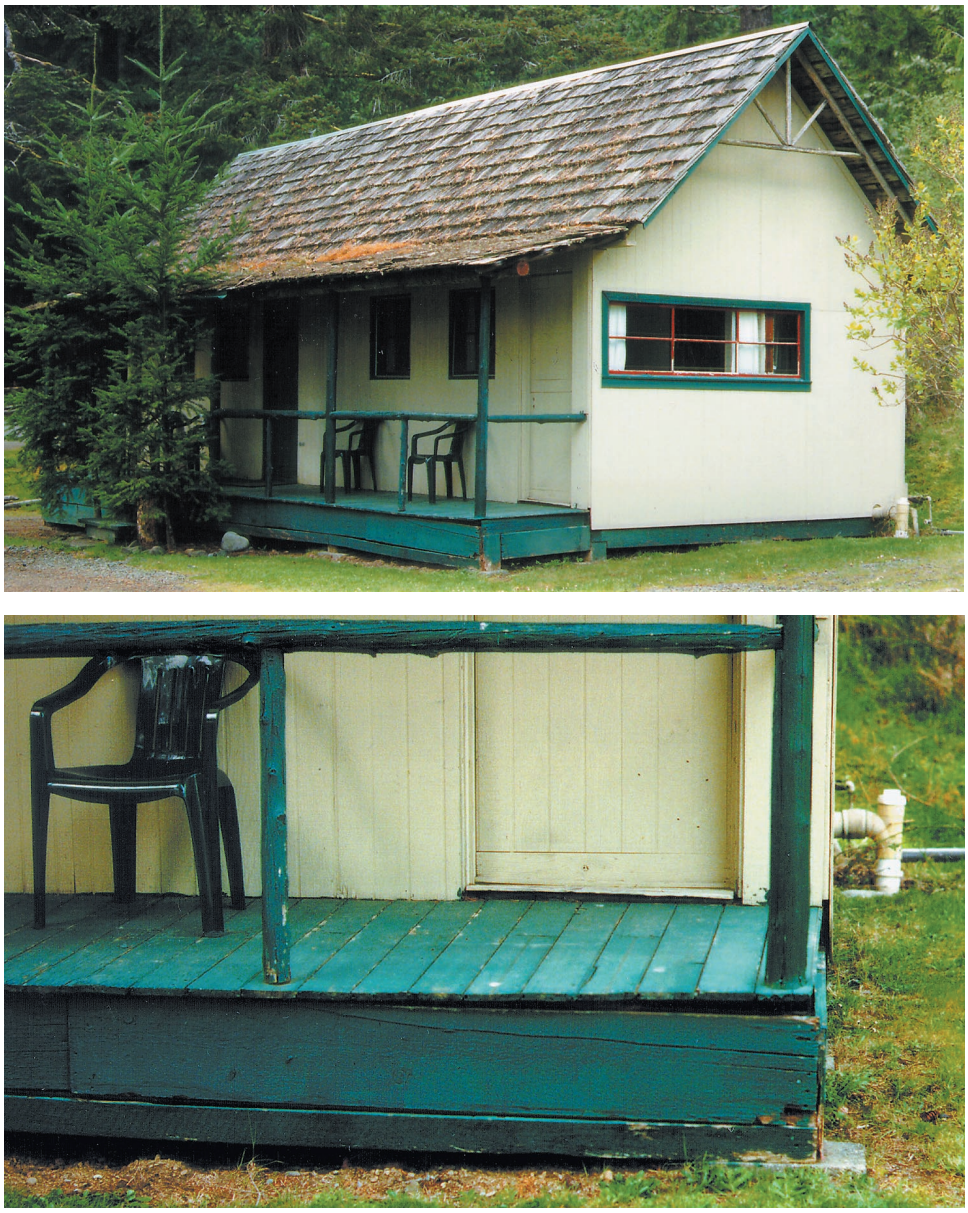
Condition of the Exterior and Grounds at Olympic National Park

The lodging buildings and grounds at the four facilities we visited at Olympic National Park were generally in good condition and well maintained. Specifically, we found the following:

Structures

The lodging facilities at these four facilities were generally in good repair, although several facilities needed some repairs. Figure 6 shows needed repairs to a roof and porch at Log Cabin Resort.

Figure 6: Needed Exterior Repairs at Log Cabin Resort



At Kalaloch Lodge, the lodge, cabins, and other facilities were in generally good condition. However, according to a Park Service official, the lodge

and several of the cabins are in danger of falling into the ocean because of severe erosion on the bluff near the facilities (see fig. 7).

Figure 7: Condition of Cliff Near Kalaloch Lodge in Olympic National Park

Proposals have been formulated to relocate and rebuild the concessioner-owned lodge and several government-owned cabins. A final decision has not been made because the concessioner wants to build a larger lodge and the Park Service wants to replace the current lodge with one of about the same capacity.

At Lake Crescent Lodge, some of the exterior paint had peeled and chipped. Moss was growing on the roofs of the four fireplace cottages, and for several of the units, the stone masonry chimneys were cracked. At Log Cabin Resort, we noted some exterior wood rot and excessive moss buildup on the roofs of eight rustic cabins. At Sol Duc Hot Springs Resort, all buildings were well maintained; however, the exterior doors of some cabins needed refinishing. A concessioner's representative told us that some of the exterior doors are scheduled to be refinished.

Grounds

The grounds at all four facilities, which consisted mainly of lawns and landscaping, were in generally good condition. The grounds at Kalaloch Lodge were well maintained and free of debris and litter. At Lake Crescent

Lodge, the grounds were well maintained, and exterior lighting had recently been installed near the walkways. We found that at Log Cabin Resort, the area in front of the 12 A-frame units needed a general cleanup and weeding. In addition, about 10 picnic tables in the camping area were in disrepair or had rotting or warped tabletops and benches. At Sol Duc, the grounds were well maintained and had adequate lighting in the common areas.

Public Rest Rooms

The public rest rooms that we observed at Olympic National Park were generally clean and well maintained. The public rest rooms at Kalaloch Lodge were clean and well maintained. At Lake Crescent Lodge, a valve was leaking in a urinal in the men's rest room in the lodge. At Log Cabin Resort, a hot air blower to dry hands in a women's rest room was not working because of a tripped circuit breaker. In addition, three of the six light bulbs in the rest room were burned out. At Sol Duc, the public rest rooms in the lodge were clean and well supplied.

Public Signs

We did not observe any problems with the signs at the four facilities. They were sufficient, accurate, appropriately placed, and generally well maintained.

Condition of Rooms at Olympic National Park

The 37 rooms that we inspected at Olympic National Park were generally in good condition. In accordance with the park's policy, none of the facilities had telephones or televisions in the guest rooms.

Safety and Security

Four rooms we inspected at Kalaloch Lodge presented safety and security concerns. Three rooms had a window without a functioning lock, and the primary lock on the door to the deck of another unit was not working. According to a concessioner official at Kalaloch, about 50 window frames throughout the complex were being replaced, including at least one of the windows we found with a lock problem. Two units at Lake Crescent Lodge had safety or security problems. One unit did not have a viewport or window next to the entrance, and the other unit had a nonfunctioning window lock.

At Log Cabin Resort, four of the nine units we inspected had safety or security problems. Three units had nonworking window locks, and two units had nonfunctioning smoke detectors. In one unit, the primary door lock did not work. None of the nine cabins we inspected at Sol Duc were equipped with deadbolt locks; only primary locks were found on the

entrance doors to the cabins. The lock on a window in one cabin was not working. We found that all units with kitchens were equipped with fire extinguishers and every third unit without a kitchen had a fire extinguisher.

Furnishings

None of the rooms we inspected had all of the furnishings required by industry standards. For example, telephones, televisions, pencils/pens and notepads, which are required by industry standards, are generally not made available to guests at any of the park's concessioner-operated facilities as a general policy. Olympic National Park prohibits televisions and telephones in guest rooms. Furthermore, none of the units had air-conditioning.

At Log Cabin Resort, the reading lights in all the inspected units had bulbs of less than 75 watts—a common industry standard—and none of the units had a notepad or pen/pencil. Five units did not have an ice bucket or alarm clock or radio. Three units were not color coordinated, and three had no nightstand. One or two units lacked at least one chair, an available writing surface, shades or draperies, nonskid pads/strips in the shower/tub, or electrical outlets in the bathroom.

At Lake Crescent Lodge, six units did not have nonskid pads or strips in the shower/tub area, and in three units, the light fixtures had bulbs of less than 75 watts. Other deficiencies noted were no ice bucket in one room and an unclean blanket in another room. The main lodge has five rooms that share one bathroom for men and one for women.

At Kalaloch Lodge, all nine of the units we inspected lacked a skid pad or mat in the shower/bathtub. Other furnishings issues were no wastebasket in one room, no ice bucket in two rooms, no electrical outlet in the bathroom and a bedroom in one cabin, no alarm or clock radio in one room, and no pencil/pen or note pad in eight and nine rooms, respectively.

None of the nine cabins we inspected at Sol Duc were equipped with a note pad, pen or pencil. Eight of the nine cabins had a reading light of less than 75 watts on the nightstand, and two units had a reading light of only 25 watts. Seven units were not furnished with an ice bucket or alarm clock or radio. Five units had no wastebasket. Other furnishings issues were an unclean mattress pad and an unclean or unsuitable bedspread in separate cabins.

Housekeeping

Five of the nine rooms we inspected at Kalaloch Lodge had housekeeping deficiencies. These included mildew in a shower area; cracked caulking

near a bathroom vanity; a dirty and stained carpet; dirty window shades; dirty and stained walls and ceilings; and a chipped/dirty door frame.

At Lake Crescent Lodge, the shared bathrooms in the main lodge had several housekeeping and other items needing attention. For example, an outside vent had no fan, a toilet was not working properly, a bathtub lacked nonskid pads/strips, a knob on a baseboard heater was missing, and paint was peeling. Items needing housekeeping attention in the individual rooms were dusty conditions, an unclean tub enclosure, and an unclean vanity. Other than a torn pillowcase in one unit, none of the units we inspected at the Log Cabin Resort had any major housekeeping problems. At Sol Duc, one cabin with a kitchen did not have any soap in the kitchen sink soap dispenser.

Repairs and Maintenance

Three of the rooms we inspected at Kalaloch needed repairs. One room in the main lodge had two window blinds that failed to completely lower to block outside light, and the room also had cracks in the shower/tub area. Two other units had drapes that did not operate correctly. One of these units also had worn and torn carpet, and the other unit had the hot and cold shower faucets reversed.

At Lake Crescent Lodge, four separate cabins had excessive moss growth on the roof and severe cracks in the stone chimney. Five units needed at least some repairs or improved maintenance. In one unit, we found a broken window, a sagging drapery rod and a sagging drapery cord, burned out lights, and loose drawer pulls. In other units, we found a burned out porch light, a poorly patched carpet, inadequate water pressure in two showers, and broken window screens.

Seven of the nine units we inspected at Log Cabin Resort had repair and maintenance problems. These included rooms where shades or drapes did not block outside light, an extension cord in use, peeling paint, and duct tape over a small hole in a wall.

Four of the nine cabins at Sol Duc had items needing repair, including a nightstand with mildew and a burn spot; one window drapery that did not close properly; a cracking window sill in one bathroom, and reversed hot and cold faucets in a bathroom. One cabin, located on a low site, had excessive moisture problems, including mildew in the bathroom near the toilet and vanity.

Sequoia-Kings Canyon National Park

Sequoia-Kings Canyon National Park, located in central California east of the city of Fresno, consists of about 864,000 acres of deep canyons and high alpine peaks in the Sierra Nevada mountains, and some 75 groves of giant sequoia trees.[1] The park also is home to the 14,494-foot Mt. Whitney—the highest peak in the contiguous United States.

Within the park, two different concessioners operate overnight accommodations, including lodges, cabins, and hotel-/motel-type facilities. Accommodations in Kings Canyon include Cedar Grove Lodge with 21 motel-type rooms, Grant Grove with 51 cabins, and John Muir Lodge with 36 hotel-type rooms, all operated by Kings Canyon Park Services. Accommodations in Sequoia include the Wuksachi Village and Lodge, operated by Delaware North Parks Services. This facility, which has 102-motel-type rooms, opened in May 1999.

While Wuksachi Village and Lodge and Grant Grove are open year-round, Cedar Grove is open from late spring to fall. As of May 1999, facilities in the park ranged in age from 8 months to over 60 years. The concessioners own all lodging facilities in the park. Except for rooms at Wuksachi Village and Lodge, which have telephones, none of the lodging facilities we inspected had telephones or televisions in the guest rooms, in accordance with park policy. We inspected a total of 27 rooms—9 at each of the three facilities; however, we did not inspect rooms at John Muir Lodge because it did not open until late May 1999—after our visit.

Rates at Grant Grove were $35 per night for a tent cabin, $45 to $55 for a rustic cabin, and $85 to $90 for a bath cabin. Rates at the John Muir Lodge ranged from $125 per night for a lodge room to $210 for a suite. At Cedar Grove, the rates were $85 per night for a lodge room. Neither Grant Grove nor Cedar Grove has off-peak rates. At Wuksachi Village and Lodge, peak season rates per night were $110 for a standard room, $125 for a deluxe room, and $155 for a superior room. Off-peak rates at Wuksachi were $75, $90, and $105 per night, respectively, for the three types of accommodation.

[1]We treated Sequoia National Park and Kings Canyon National Park as one park unit because they are jointly administered.

Condition of the Exterior and Grounds at Sequoia-Kings Canyon National Park

With the exception of several public bathrooms/showers and the grounds at Grant Grove, the lodging buildings and grounds at the three facilities we visited at Sequoia-Kings Canyon National Park were generally in good condition and well maintained.

Structures

The lodging buildings at these three facilities were generally in good repair, although several buildings needed refinishing at Grant Grove. At Grant Grove, many structures were well maintained but the exterior paint/stain on others was only in fair condition. Some cabins had exterior doors and siding that were worn and needed refinishing. By contrast, at Cedar Grove, the structures were well maintained, having been repainted in 1998. At Wuksachi Lodge, which opened for business in May 1999, the structures were in excellent condition, with fresh paint and stain.

Grounds

The grounds at these facilities, which consisted mainly of natural landscaping, were in generally good condition; however, at two locations, some debris and surplus room furnishings were piled on the ground adjacent to the guest accommodations.

At Cedar Grove, we found some debris (bricks and some trash) around heating equipment at the rear of the facility and some partly rolled up chicken wire in a landscaped area. At Grant Grove, adjacent to the public bath facility in Tent City, surplus or broken cabin furnishings, such as cabinets, screens, and chairs, were stacked together awaiting disposal, as shown in figure 8.

Figure 8: Grounds at Grant Grove

According to the park concessions specialist, this was unattractive and the concessioner was to remove it immediately. At all three areas, there were sufficient trash receptacles spread throughout the grounds, and apart from the previously mentioned items, there was no trash or debris on the premises. Exterior lighting was sufficient at Grant Grove and Wuksachi; however at Cedar Grove, the walkup ramp on one side of the building had poor illumination at night, two exterior light fixtures had missing or broken plexiglass, and there was only one light for the parking area.

Public Rest Rooms

We found major deficiencies with the public bathroom and shower facilities at Grant Grove—specifically, the unsanitary and dirty conditions of the public showers at Meadow Camp. The shower area, shown in figure 9, had considerable mildew on several walls, ants crawling on the floor, a stained shower pan, a very rusty heater fixture, a dirty linoleum floor with holes in the linoleum, light fixtures that contained bugs, a leaky shower faucet, and considerable graffiti.

Figure 9: Poor Condition of Public Bathroom and Shower Facilities

Mildew on shower wall

Rusty heater fixture

In the men's rest room, one of three toilets was out of order, and another stall was locked from the inside. Toilet stalls had considerable graffiti—some written and some carved into wooden partitions. Other deficiencies included excessively hot water in the vanity faucet, water on the floor due to an overflowing toilet, a dirty and stained entrance door, chipped paint on the walls and heater, a missing light bulb and a light fixture with a broken cover, and some missing ceramic tiles in the vanity sink area.

Deficiencies were also noted in the bathroom and shower facilities in the Tent City portion of Grant Grove. For example, there was no ventilation in the men and women's bathroom because the windows were nailed shut. In the women's bathroom, the hot water faucet fixtures were loose, a toilet lid was loosely secured, there were spitwads on the ceiling, the walls were rusty and the floor worn, and the bath light cover was missing, exposing electrical components, as shown in figure 10.

Figure 10: Exposed Wiring in Public Bathroom and Shower Facilities

In the men's bathroom, two of four light bulbs were burned out, the toilet stalls contained some graffiti, one of four sinks had no hot water, the walls were dirty in spots, and there was excessive dirt in the corners. In the common shower area, one shower was not operating because the light fixture was missing, and the two operating showers were each missing a light bulb, and one shower had no operational fan for ventilation.

The public bathroom facilities in the Wuksachi Lodge were new, well maintained, and accessible to the handicapped. At Cedar Grove, the lodge's public rest room facilities were generally well maintained and clean, although they lacked electrical outlets.

Public Signs

We did not observe any problems with the signs at the three facilities, although at Wuksachi, directional signs on the access road off the main highway and in the parking lots had not been installed at the time of our visit. The signs we did observe at all three locations were sufficient, accurate, appropriately placed, and generally well maintained.

Condition of Rooms at Sequoia-Kings Canyon National Park

The 27 rooms that we inspected at Sequoia-Kings Canyon National Park were generally in good condition. While the rooms lacked some furnishings required by industry standards and had some housekeeping problems, they were largely in good repair.

Safety and Security

All nine rooms we inspected at Grant Grove had safety and security concerns. Eight rooms had no dead bolt lock, and three rooms had windows without functioning locks. Two rooms did not have a smoke detector, and in two other rooms, the smoke detector was not functioning. Four rooms also did not have an interior light switch.

At Cedar Grove, the doors to all nine rooms lacked a dead bolt lock, and two rooms had no window adjacent to the door or no viewport. At Wuksachi Lodge, no safety or security concerns were identified.

Furnishings

None of the rooms we inspected had all of the furnishings required by industry standards. For example, telephones, televisions, pencils/pens and notepads, which are required by industry standards, are generally not made available to guests at any of the park's lodging facilities. At these three locations, none of the rooms had televisions, pencils/pens and notepads; only Wuksachi had telephones; and only Cedar Grove had air-conditioning. While the rooms at Cedar Grove and Wuksachi Lodge were adequately furnished, at Grant Grove, six rooms had no writing surface, nine rooms had no ice bucket and five rooms had no electrical outlets. Four rooms lacked sufficient light, and seven rooms had light bulbs of less that 75 watts. Seven rooms had no private bath.

Housekeeping

We did find some housekeeping problems at Grant Grove and Cedar Grove. At Grant Grove, four of the nine rooms inspected had cobwebs or bugs and/or dirt on the windows. At Cedar Grove, seven of the nine rooms inspected had dirt or dust on the edges of the carpet or on the drapery, while several other rooms had cobwebs or dirty walls. At Wuksachi Lodge, all rooms inspected were very clean.

Repairs and Maintenance

Overall, the rooms at Sequoia-Kings Canyon were in good repair except for some deficiencies at Grant Grove. At Grant Grove, two rooms had smoke detectors that were not functioning; three rooms had draperies that did not close all the way; and three rooms had walls with holes, cracks, or graffiti. The bathrooms in two rooms had peeling paint, and one had cracks or holes in the wall.

Table 6 presents the detailed results of our room inspections in Olympic and Sequoia-Kings Canyon national parks. To obtain our sample of rooms, we generally requested a list of vacant and just cleaned but not yet occupied rooms from the concessioner and randomly selected rooms to inspect. We made our inspections with representatives of both the park and the concessioner present.

Table 6: Results of GAO's Room Inspections

	Number of problems found	
Category/problem	**Olympic National Park**	**Sequoia-Kings Canyon National Park**
Number of rooms inspected	37	27
Room's general safety and security		
No/not functioning primary locks	2	1
No/not functioning dead bolt	9	17
No viewport or window	1	2
No functioning window locks	8	3
No smoke detector		2
Not functioning	2	2
No active light switch	4	4
Subtotal	**26**	**31**
Illumination		
Lamps not sufficient		5
Wattage–less than 75 watts	20	8
Subtotal	**20**	**13**
Furnishings		
No chair available	2	3
Not in good condition		
No writing surface	2	6
Not in good condition		
No nightstand	3	1
Not in good condition	2	1
No clothes facility		
Not in good condition		1
No television	37	27
Not functioning		
No telephone	37	18
Not functioning		
No direct-dial/24-hour switchboard		
Subtotal	**83**	**57**
Other		
No wastebasket	6	1
No ice bucket	15	9
No electrical outlets	1	5

Continued

Not functioning		1
No alarm clock/radio	14	10
No note pad	29	27
No pen or pencil	35	27
Extension cord used	2	
Subtotal	**102**	**80**
General		
Room not quiet		2
No luggage space		
No shades/draperies	2	1
Outside light not blocked	9	3
No heating system		
Not functioning		1
Not reasonably quiet		
No air-conditioning	37	18
Not functioning		
Not reasonably quiet		
Room not color coordinated	3	1
Inadequate floor space		
Subtotal	**51**	**26**
Room's overall cleanliness		
Not free of insects/rodents		3
Not free of dust/dirt/litter	1	8
Not free of cobwebs		6
Not free of stains	2	2
Not free of odors		
Unclean windows		1
Subtotal	**3**	**20**
Carpeting		
Dirty/stained	1	3
Worn/torn	2	1
Subtotal	**3**	**4**
Walls/ceiling		
Unclean	2	2
Peeling paint		1
Defects		4
Subtotal	**2**	**7**
Bedding		

Continued from Previous Page

Mattress		
Sagging		
Not free of odors		
Not sized to fit frame		
Lumps/protrusions		
Subtotal		
Box springs		
Protruding		
Not quiet		
Broken	1	
Subtotal	**1**	
Other		
Unclean pillow		3
Two clean sheets not available		1
One clean mattress pad not available	1	
Unclean pillowcase(s)		1
Unsuitable, unclean bedspread	1	
Unsuitable, unclean blanket	1	1
Bed linens not changed daily	19	9
Subtotal	**22**	**15**
Bath area		
General		
No private bath	2	7
Inadequate ventilation		1
Inadequate lighting		
Subtotal	**2**	**8**
Toilet		
Not functioning	1	
Unclean		
Subtotal	**1**	
Shower/tub		
Not available		
Not functioning	1	
Unclean		
Grout problems		1
Inadequate water pressure	2	
Nonskid pad/strips not available	17	
Inadequate hot water		

Continued from Previous Page

Cracks	1	2
Shower curtain/tub enclosure		
Unclean and torn/mildew	3	2
Subtotal	**24**	**5**
Vanity/sink		
Not available		
Not functioning		1
Unclean	2	
No mirror		
Inadequate water pressure		
Inadequate hot water	1	
No or inadequate light above vanity		1
No electrical outlet convenient to sink	3	
Not functioning		1
Subtotal	**6**	**3**
Towels		
Not one quality bath towel/person		1
Not one quality hand towel/person		
Not one quality wash cloth/person		
No towel rack		2
Towels not changed daily		
Subtotal		**3**
Other		
No cloth bath mat		
No spare toilet tissue		
No wrapped drinking glass/person		
No wastebasket	1	
No wrapped soap bar/person		
No facial tissue		
Subtotal	**1**	
Bath's overall cleanliness		
Not free of hair		
Not free of stains		
Subtotal		
Bath walls/ceiling		
Unclean	1	2
Peeling paint	2	2
Defects–cracks, holes, stains	1	2

Continued from Previous Page

Subtotal	**4**	**6**
Total	**351**	**278**

Continued from Previous Page

Comments From the Department of the Interior

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAR 1 6 2000

Mr. Jim Wells
Director, Energy, Resources, and Science Issues
U.S. Government Accounting Office
441 G Street, NW
Washington, D.C. 20548

Dear Mr. Wells:

This is in response to the General Accounting Office Draft Report, NATIONAL PARK SERVICE: Agency Needs to Address Management Problems That Have Plagued the Concessions Program (GAO/RCED-00-70) received by our office on February 25, 2000.

Overall we agree with many of the report findings and believe implementation of the recommendations will offer us an opportunity to strengthen our program and begin true concession reform, while at the same time supplementing existing management efforts to implement the Concessions Management Improvement Act of 1998. One such effort includes a request in the President's Fiscal Year 2001 Budget to establish an additional Senior Executive Service position in the National Park Service for an Associate Director for Partnerships and Business Practices which will help alleviate some of these management problems. Another effort is the National Park Service's active consideration of performance based contracting measures. Though the report focuses on the condition and management of lodging facilities operated by concessioners, it appears that many of the factors that were examined could impact equally other aspects of the National Park Service concession management program. Therefore, we believe implementation of the improvements recommended in the report will have a positive effect on other operational components serving visitors.

We will provide a more detailed response to your findings and recommendations as soon as possible. We appreciate the opportunity to comment on these very important issues and look forward to working with your office as we implement the recommendations.

Sincerely,

Dan Barry

Assistant Secretary for
Fish and Wildlife and Parks

Comments From the National Park Hospitality Association

Andrew N. Todd
Chairman
14001 East Iliff Avenue, Suite 600
Aurora, CO 80014

Telephone (303) 338-2676
FAX (303) 338-2084

National Park Hospitality Association

Officers
Andrew N. Todd
Chairman
David B. Woodside
Vice Chairman
Clay James
Secretary
Trevor (Terry) H.S. Povah
Treasurer

Washington Representative
Allan T. Howe

Board of Directors
Terrance J. Bichsel
ARAMARK Corporation Sports and Entertainment, Inc.
Dick Buck
Guest Services, Inc.
George Campsen, Jr.
Fort Sumter Tours, Inc.
Clay James
Grand Teton Lodge Company
Tom Mack
Landmark Services
Tourmobile, Inc.
Rex G. Maughan
Forever Resorts
Phyllis Prevost
Parkway Inn, Inc.
Trevor (Terry) H.S. Povah
Hamilton Stores, Inc.
Robert (Dale) Scott
Glacier Park, Inc.
Stephen W. Tedder
Amfac Parks & Resorts, Inc.
Andrew N. Todd
Amfac Parks & Resorts, Inc.
David B. Woodside
Acadia Corporation

March 8, 2000

Mr. Barry T. Hill
Associate Director, Energy, Resources, and Science Issues
United States General Accounting Office
Washington, DC 20548

Dear Mr. Hill:

The National Park Hospitality Association (NPHA) appreciates the opportunity to provide the following comments on the draft report (GAD/RCED-00-70) relating to the National Park Service (NPS) Concessions Management Program:

1. The most single factor contributing to the condition of the concessions program today is the chronic backlog of concession contracts. This backlog has had a devastating affect on concessions programs in many parks, and has caused the government (NPS) substantial loss in fee revenues, capital investments and delays in moving forward on many concession facility improvements. This has continued for over 10 years.

2. We do believe that ownership in facilities gives the concessioners the incentive to protect their investment in park facilities by maintaining and improving those facilities even in the last years of a contract.

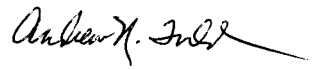
3. Special accounts for improvements and repair and maintenance are very important for government-owned facilities. The inconsistency that we have found is in the oversight provided by concession management and the delays in approving projects caused by the cumbersome review process.

There was only one correction that we would like to make. On page 51, the report indicates that the concession facility in Death Valley (Stovepipe Wells) is concessioner-owned, when in fact it is government-owned.

Mr. Barry T. Hill
March 8, 2000
Page 2

Again, we appreciate the opportunity to offer comments on this report. The NPHA is made up of concessioners that have provided concession services in national parks for many years. We are committed to providing quality services and products to the millions of park visitors each year, a goal we share with NPS. We will continue to work in partnership with concessions management to best serve our park visitor.

Sincerely,



Andrew N. Todd

ANT:la

GAO Contact and Staff Acknowledgments

GAO Contact

Cliff Fowler, (202) 512-8029

Acknowledgments

Robert Antonio, Brian Estes, Frank Kovalak, Paul E. Staley Jr, and Ned Woodward made key contributions to this report.

Ordering Information

The first copy of each GAO report is free. Additional copies of reports are $2 each. A check or money order should be made out to the Superintendent of Documents. VISA and MasterCard credit cards are accepted, also.

Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:
U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

Orders by visiting:
Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders by phone:
(202) 512-6000
fax: (202) 512-6061
TDD (202) 512-2537

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

Orders by Internet:
For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web home page at:

http://www.gao.gov

To Report Fraud, Waste, or Abuse in Federal Programs

Contact one:

- **Web site: http://www.gao.gov/fraudnet/fraudnet.htm**
- **e-mail: fraudnet@gao.gov**
- **1-800-424-5454 (automated answering system)**

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548-0001

Official Business
Penalty for Private Use $300

Address Correction Requested

Bulk Rate
Postage & Fees Paid
GAO
Permit No. GI00