

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winqvist  
Interim General Manager

**FROM:** Mike Bandelin  
Diamond Peak Ski Resort General Manager

**SUBJECT:** Review, discuss and possibly award a Procurement Contract for the Purchase of Replacement Ski Rental Shop Equipment – 2019/2020 Capital Improvement Project: Fund: Community Service; Division: Ski; Project # 3468RE0002; Vendor: Rossignol – Amount \$285,834.75

**STRATEGIC PLAN:** Long Range Principle #5 Assets and Infrastructure - The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

**DATE:** March 25, 2020

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### **I. RECOMMENDATIONS**

Staff recommends that the Board of Trustees moves to:

1. Award a procurement contract to Rossignol totaling \$285,834.75 for the manufacturing and delivery of Replacement Rental Shop Equipment to Diamond Peak Ski Resort (Totaling 1,119 pairs of skis and bindings and 1,400 pairs of ski boots).
2. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

### **II. DISTRIC STRATEGIC PLAN**

Long Range Principle #5 Assets and Infrastructure - The District will practice perpetual asset renewal, replacement, and improvement to provide safe and

superior long term utility services and recreation activities. The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations. The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

### **III. BACKGROUND**

Diamond Peak maintains a fleet of 1,365 skis and bindings (ranging in size from 70cm to 188cm), 1,568 ski boots (ranging in size from Junior 15 to Men's 33.5 Mondo Size), 408 snowboards, 545 snowboard bindings, and 596 snowboard boots in its rental shop. The rental shop equipment replacement purchases are part of a comprehensive program to maintain a functional and reliable rental fleet at Diamond Peak. This ongoing program replaces rental equipment on a four year cycle and is vital to ensuring a safe and enjoyable experience for the guests at Diamond Peak that utilize the rental shop.

Of the District's fleet of 1,365 skis and bindings, 1,320 comprise the main rental fleet (the remaining 45 pairs in the inventory make up the demo fleet from a variety of manufacturers). The District's main rental fleet of skis, bindings and ski boots, all are made by the same manufacture. Doing so has allowed the District to have a single process by which a ski is set-up during a rental transaction. This simplifies staff training, reduces the risk of mistakes during set-up, and speeds the overall transaction time. Additionally, the rental skis and bindings come as a factory mounted system that requires no drilling and little assembly upon delivery. This reduces labor costs during the fleet transition and reduces risk of mistakes during assembly.

The proposed purchase will replace all the skis and bindings in the 70cm to 175cm range (a total of 1,119 pairs of skis) and ski boots in the Junior's 15 to Men's 33.5 (mondo size) range (a total of 1,400 pairs of boots). The current inventory of Childrens skis, boots and bindings were purchased in 2016 and the Adult skis, boots and bindings were purchase in 2017. Based on visual inspection and binding testing, the equipment has reached the end of their serviceable life.

### **IV. BID RESULTS**

The District publicly advertised this project for bidding and specifications were sent out to eight potential bidders. Five bids were received and opened on March 5, 2020. The bid results are as follows:

<b>Vendor</b>	<b>Total Bid Amount</b>
Rossignol	\$285,834.75
Elan	\$288,544.62
Fischer	\$288,997.39
Volkl	\$298,456.95
Salomon	\$299,402.25

The low responsive bidder that meets all the specified technical specifications is Rossignol. District Staff reviewed the bid and checked references for the vendor and has recommended award of this procurement to Rossignol.

#### **V. FINANCIAL IMPACT AND BUDGET**

The current budgeted amount for ski rental equipment replacement is \$335,000. The price of the proposed equipment purchase totals \$285,834.75.

During the March 18, 2019 Board of Trustees meeting (venue capital project discussion) a comment was made on deferring the replacement of the Children's skis and boots to the 2019/2020 fiscal year, doing so would allow the District to publicly bid the entire fleet of the rental equipment. The 2018/2019 capital plan budgeted amount of \$135,000 for replacement of Children's skis and boots would be carried over to fiscal year 2019/2020. Within fiscal year 2019/2020 an approved budgeted amount of \$200,000 is planned to replace Adult ski and boots. The combined projects of replacing Children's and Adult ski and boots into one project of replacing the rental fleet includes a capital project budgeted amount of \$335,000 within the 2019/2020 fiscal year.

The District places its order with the ski, snowboard, and boot manufacturers in the spring and takes delivery of the equipment in the fall in order to accommodate manufacturing lead time.

#### **VI. ALTERNATIVE**

The Board of Trustees could decide to defer the purchase of the rental equipment until the 2020/2021 fiscal year. In doing so, District staff would proceed with purchasing replacement skis based on a condition assessment and perform maintenance and repairs to the current fleet in preparation for use during the 2020/2021 season.

Review, discuss and possibly award a Procurement -4-  
Contract for the Purchase of Replacement Ski Rental  
Shop Equipment – 2019/2020 Capital Improvement  
Project: Fund: Community Service; Division: Ski;  
Project # 3468RE0002; Vendor: Rossignol – Amount \$285,834.75

March 20, 2020

## **VII. COMMENTS**

The equipment rental shop is a major revenue contributor to Diamond Peak's annual operating budget and maintaining the condition of the rental fleet is critical to that revenue stream. A reliable and well functioning rental fleet is also an important component of providing a great customer experience at Diamond Peak.

## **VIII. BUSINESS IMPACT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.



## Project Summary

<b>Project Number:</b>	3468RE0002		
<b>Title:</b>	Replace Ski Rental Equipment		
<b>Asset Class:</b>			
<b>Division:</b>	68 - Rental & Repair		
<b>Budget Year:</b>	2018		
<b>Scenario Name:</b>	Main	<b>Active:</b>	Yes
<b>Budget Status:</b>	Data Entry		
<b>Locations:</b>			
<b>Project Something:</b>	RE - Rental Equipment		

<b>Project Description</b>				
The District owns and maintains a fleet of 1,405 skis and bindings (ranging in size from 70cm to 188cm), 1,550 ski boots, 330 snowboards, and 400 snowboard boots in its rental shop. The rental shop equipment replacement purchases are part of a comprehensive program to maintain a functional and reliable rental fleet at Diamond Peak. This ongoing program replaces rental equipment on a four year cycle and is vital to ensuring a safe and enjoyable experience for the guests at Diamond Peak that utilize the rental shop.				
<b>Project Internal Staff</b>				
<b>Project Justification</b>				
The general purpose of this project is to improve our facilities through required maintenance and replacement improvements that directly or indirectly reflect on our guest's experience. This project is designed to maintain the value of the Diamond Peak Ski Resort asset and customer service. In addition to rental equipment, the shop also purchases demo ski and snowboard equipment, as well as helmets. These may be included in the purchase order with vendors, but is not considered capital equipment because they turnover in 2 years or less.				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
2019				
Children skis and boots	135,000	0	135,000	
Year Total	135,000	0	135,000	
2020				
Adult skis and boots	220,000	0	220,000	
Year Total	220,000	0	220,000	
2021				
Snowboard equipment	185,000	0	185,000	
Year Total	185,000	0	185,000	
	<b>540,000</b>	<b>0</b>	<b>540,000</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>	<b>Est. Completion Date</b>
2016			Director of Skier Services	



## Project Summary

<b>Project Number:</b>	3468RE0002		
<b>Title:</b>	Replace Ski Rental Equipment		
<b>Asset Class:</b>	G - Equipment & Software		
<b>Division:</b>	68 - Rental & Repair		
<b>Budget Year:</b>	2020		
<b>Scenario Name:</b>	Main	<b>Active:</b>	Yes
<b>Budget Status:</b>	Data Entry		
<b>Locations:</b>			
<b>Project Something:</b>	RE - Rental Equipment		

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**Project Internal Staff**

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<b>Forecast</b>			
Budget Year	Total Expense	Total Revenue	Difference
2020			
Adult skis and boots	200,000	0	200,000
Year Total	200,000	0	200,000
2021			
Snowboard equipment	185,000	0	185,000
Year Total	185,000	0	185,000
2023			
Children skis and boots	150,000	0	150,000
Year Total	150,000	0	150,000
	<b>535,000</b>	<b>0</b>	<b>535,000</b>

Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2016			Director of Skier Services	