

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

THROUGH: Sharon G. Heider
Director of Community Services

Bradley A. Johnson, P.E.
Director of Asset Management

FROM: Mike Bandelin
Diamond Peak Ski Resort General Manager

SUBJECT: Review, discuss and possibly award a Procurement Contract for Replacement Snowboard Rental Equipment – 2016/2017 Capital Improvement Project: Fund: Community Services; Division: Ski; Project # 3468RE0002; Vendor: Burton Corporation in the amount of \$178,104.83

STRATEGIC PLAN: Long Range Principle #4 – Service
Long Range Principle #5 – Assets and Infrastructure

DATE: March 31, 2017

I. RECOMMENDATIONS

That the Board of Trustees moves to:

1. Authorize a procurement contract to Burton Corporation totaling \$178,104.83 for the replacement of Diamond Peak Ski Resort snowboard rental equipment (totaling 418 snowboards, 596 pairs of snowboard boots, and 545 pairs of snowboard bindings).
2. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

II. DISTRIC STRATEGIC PLAN

Long Range Principle #4 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- The District will utilize best practice standards for delivery of services.

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.

III. BACKGROUND

The general purpose of this project is to maintain District operations through the necessary maintenance and replacement cycles. The contract proposed for award addresses the end of life cycle replacement of the rental snowboards, snowboard boots, and snowboard bindings utilized by Diamond Peak customers.

Diamond Peak currently maintains a fleet of 1,405 skis and bindings (ranging in size from 70cm to 188cm), 1,550 ski boots (ranging in size from Youth 15 to Men's 15), 330 snowboards (ranging in size from 80 cm to 168 cm), 400 pairs of snowboard boots (ranging in size from Junior 10c to Men's 15), and 350 pairs of snowboard bindings (ranging in size from junior to large) 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.

The proposed contract will replace the entire inventory of snowboards, snowboard boots, and snowboard bindings. The current inventory was purchased in 2013 and has been utilized for four seasons. Based upon

inspection as well as feedback from Diamond Peak customers, the existing inventory is at the end of its serviceable life.

The proposed contract also represents an increase in inventory from 330 to 418 snowboards, from 400 to 596 pairs of boots, and from 350 to 545 pairs of bindings. Over the life cycle of the current snowboard rental fleet, the District has found that Diamond Peak regularly runs out of inventory of snowboard equipment and is unable to meet customer demand during holiday periods and peak weekends. Additionally, the District has found it does not have an adequate inventory spread across size ranges. As an example, during the current operating season Diamond Peak has run out of snowboard equipment in select size ranges every Saturday of the season to date. The proposed increase in inventory will help ensure Diamond Peak is meeting customer demand at its rental locations and is not leaving potential revenues un-realized.

If the proposed contract is awarded, delivery is guaranteed by November 15, 2017, the equipment comes with a two year manufacturer's warranty, and the contract guarantees availability of replacement stock in the same style for a three year period. The District places its order with the snowboard equipment manufacturer in the spring and takes delivery of the equipment in the fall in order to accommodate manufacturing lead time.

IV. BID RESULTS

The District publicly advertised this project for bidding and specifications were sent out to four potential bidders. Three bids were received and opened on March 30, 2017. The bid results are as follows:

Vendor	Total Bid Amount
Burton Corporation	\$178,104.83
Rossignol	Non-responsive
Head Wintersports	Non-responsive

Rossignol's bid was deemed non-responsive for failure to meet bid technical specifications and design details by submitting a product non-compatible with the District's rental equipment storage racks and inventory tracking system.

Review, discuss and possibly award
a Procurement Contract for
Replacement Snowboard Rental Equipment
– 2016/2017 Capital Improvement Project:
Fund: Community Services; Division: Ski;
Project # 3468RE0002; Vendor: Burton
Corporation in the amount of \$178,104.83

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March 31, 2017

Head Wintersports' bid was deemed non-responsive for failure to submit physical product samples as required in the bid specifications as well as failure to meet bid technical specifications by not bidding on the complete product size range required.

The low responsive bidder is Burton Corporation. District Staff reviewed the bid and checked references for the vendor and has recommended award of this procurement to Burton.

V. FINANCIAL IMPACT AND BUDGET

A total of \$360,000 is included in the 2016/2017 Capital Budget for the purchase of replacement rental equipment (see attached data sheet), of which, \$179,537 is remaining and available for the proposed \$178,104.83 snowboard rental equipment procurement contract.

VI. ALTERNATIVE

Not award the contract and defer the replacement of the snowboard rental equipment to a future date. Doing so leaves a District asset in an aging and failing condition, impacts service levels to Diamond Peak customers, and does not meet periods of peak customer demand.

VII. COMMENTS

The 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

Project Number:	3468RE0002	Active:	Yes
Title:	Replace Ski Rental Equipment		
Asset Class:			
Division:	68 - Rental & Repair		
Budget Year:	2017		
Scenario Name:			
Budget Status:	Data Entry		
Locations:			
Project Something:	RE - Rental Equipment		

Project Description

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.

Project Internal Staff

Project Justification

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.

Forecast

Budget Year	Total Expense	Total Revenue	Difference
2017			
Adult skis & boots	200,000	0	200,000
Snowboard equipment	160,000	0	160,000
Year Total	360,000	0	360,000
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
	900,000	0	900,000

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