

DECISION PAPER



May 10, 2018

Issue

Downhill Ski Resort Snow Grooming Machine Replacement

Background

Grooming machine (snowcat) replacement at our winter operations has evolved over the years based on our experience. The fleet at the ski resort consists of two machines – a 2010 Prinoth Bison X (Bison) and a 2012 Pisten Bully Park 400 (PB). The reserve replacement schedule had the replacement of the Bison scheduled for 2017. This replacement was pushed back to 2018 as a result of a few drought years where the machines did not accumulate very many hours. It has been the philosophy of Tahoe Donner to replace machines once they approach or surpass 7,000 hours (usually every 7 years) as there is a known steep increase in the cost of ownership at or near the 7,000-hour mark. The details of this increase is detailed in the Cross Country Ski Area Snow Grooming Machine Replacement decision paper.

Even with all the appropriate maintenance, the reliability of the snowcat begins to decline as it ages as well. Properly functioning, reliable machines are incredibly important to the downhill operation. The beginner experience is enhanced with well groomed terrain, and our relatively small size creates an expectation that all runs are groomed daily. While breakdowns are not uncommon, they are more frequent with older machines. Repair can take a machine out of service for several days, or even weeks, while parts are ordered. With only two snowcats on the hill, when a machine goes down, 50% of the fleet is out of commission, and hours begin to stack up on the remaining machine. In the event of challenging weather conditions, portions of the mountain may not be groomed. Avoiding large mechanical issues associated with older equipment, also allows us to keep our maintenance team small and efficient.

Options

There are a few options to consider for this replacement:

- Option 1:** Approve the purchase of a new snowcat for the Downhill Ski Resort fleet – current budget \$397,450.
- Option 2:** Postpone the replacement of the Downhill Ski Resort snowcat for another year risking significant repair costs and labor commitment as well as an increase in down time.

Recommendation:

Staff recommends Option 1, to use scheduled Reserve and Replacement Funds to Replace the 2010 Bison-X Snowcat with a 2018 Pisten Bully PB400 Park Pro with a budget not to exceed of \$371,500 which includes tax and shipping – approximately \$25,950 below our budget. The *estimated* trade-in value for the current machine is \$15,000 - \$20,000 which will be deducted from the total purchase price once the value is determined.

Prepared By: Miguel Sloane, Robert McClendon *MS*

Reviewed by: Forrest Huisman *FH*

Reviewed by: Michael Salmon *MS*

General Manager Approval to place on the agenda: *MS*

Date: *5/18/18*

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PB 400/Bison X Comparison:

	PB 400	Bison X
Tier 4 Machine	\$342,000	\$320,000
Delivery	\$0	\$4,750
Tax	\$29,070	\$27,604
Warranty	2 years	1 year
Total	\$ 371,070	\$ 352,354

Staff recommendation - PB 400

- Pisten Bully offers a 2-year warranty versus Prinoth's 1-year warranty.
- Efficiencies in staff training, part inventory compatibility, and service calls are realized when we have machines from the same manufacturer.
- Staff's experience with both manufacturers is that Pisten Bully's service is superior to Prinoth.

DH Machines	Purchased	Total Repair Cost				Total	Hours as of 4/5/18
		2015	2016	2017	YTD 2018		
<i>2010</i> GR217- BISON X		\$1,633	\$15,579	\$23,441	\$4,693	\$45,345	6717
<i>2012</i> GR219- PB PARK 400		\$135	\$5,767	\$19,162	\$1,348	\$26,412	3476

For perfect pistes...



5/7/2018

Robert McClendon
Tahoe Donner
Downhill Ski Area Manager
11509 Northwoods Blvd., Truckee, CA 96161

Dear Robert,

Please see below my proposal for new Prinoth grooming vehicles as requested.

1 New 2018 New Bison X Tier 4 Grooming vehicle equipped as follows:

- Caterpillar C9.3 405hp engine - Tier 4
- Master Park Blade w/Side Cutter Wings
- 66" Aluminum Tracks
- New 45 Series Rexroth Drives
- Posi-Flex Tiller W/Hydraulic finisher wings and Posi Hyds w/flat lock
- High Output Hydraulic Controls w/Proportional Dual Functions
- Center operator seat
- Long Rear Lift Frame
- LED Lights
- Inclinometers and Tape Measure Function
- Solid Rubber Tires
- Heated Glass and Wipers

Vehicle Price: \$320,000.00

1 New 2018 New Husky Grooming Vehicle Tier 4 equipped as follows:

- Master Blade
- 3.1 Meter Aluminum tracks
- All season rubber tracks
- Power Tiller w hydraulic finisher wings
- Drive lever steering controls
- MTU Tier 4 230 HP engine

Vehicle Price: \$215,000.00

For perfect pistes...

Prinoth

1 New Snow Loading Bucket Price:	\$12,500.00
1 Set Rubber Tracks Bison Price:	\$30,000.00
1 Set Rubber Tracks Husky:	\$25,000.00

Additional Incentives:

- Service school at no charge for 4 people per resort
- Operator and shop training at no charge

**** All prices and terms of this proposal are considered confidential and do not include sales tax.**

Terms:

20% down at contract signature and balance due at delivery

Warranty:

Vehicle: 1 year or 1500 hours

Engine: Standard Caterpillar and MTU warranty

Freight:

\$4,750.00 per vehicle

I look forward to discussing the proposal with you in more detail, in the meantime if you need more information, please don't hesitate to call.

Best Regards

Jason Smith
Sales Representative

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Reno, NV 89512 USA
Tel.: 775.359.7517 - Fax: 775.359.7725
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prinoth.us@prinoth.com

Pricing

• 2018 PB 400 (Tier 4) ParkPro

\$342,000

Above pricing includes:

Complimentary Shipping to Tahoe Donner
Constant Up/Down Pressure
Rexroth Hydraulics
Hydraulic Tiller Wings



PistenBully



KÄSSBOHRER ALL TERRAIN VEHICLES, INC.

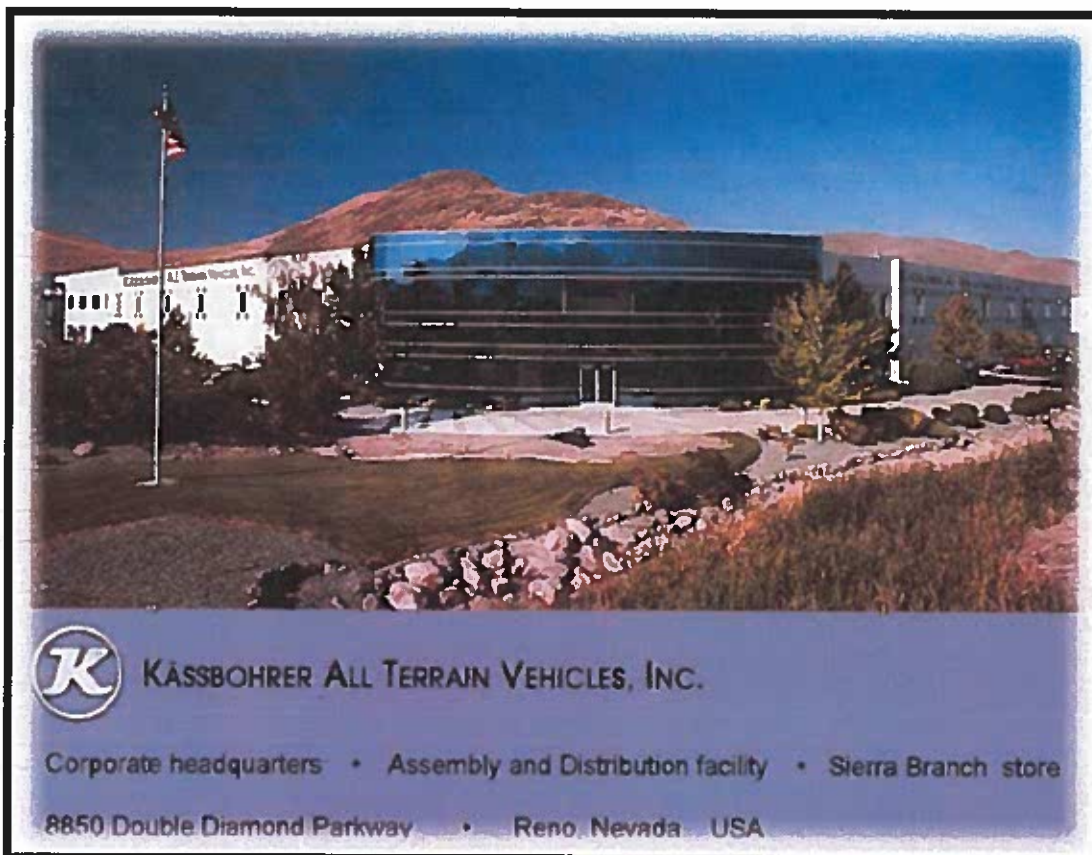
Incentives

All new PistenBullys have a TWO year limited warranty.

Technical Service Center is always:
24 hours a day seven days a week.

Kassbohrer representative to provide onsite assistance with your first summer service.

Kassbohrer's North American headquarters in Reno, Nevada proves our commitment to Tahoe Donner. This facility contains the Sierra Office and over 10 million dollars in parts inventory in addition to the utility production facility.



PistenBully  KASSBOHRER ALL TERRAIN VEHICLES, INC.

Parts

PistenBully's North American parts warehouse is located in Reno, NV. allowing Tahoe Donner same day accessibility to millions of parts.

PistenBully's parts department is open six days a week during the winter season, and is available Sundays for urgent orders with no additional charge.

Our Parts Department averages a 93% fill rate and can be **ordered online** with the Electronic Parts List

KÄSSBOHRER GELÄNDEFahrZEUG AG

// VIN: WKU 824 0000 10281

PISTENBULLY 400 STANDARD 10275-10299

Spare-parts book Tool catalog Search Shopping cart

back 01 - ENGINE AND POWER TRAIN // ENGINE ENGINE MOUNTS // DRIVE TRAIN

Overview shopping cart

Part information

Item	Part No	Designation	Description
0	824 31 10 000 05 0	ENGINE, ENGINE MOUNT	DRIVE TRAIN
1	8 312 105 000 0	DIESEL ENGINE	6 CYL.
5	8 743 899 000 0	OIL PRESSURE SENSOR	
6	8 743 854 000 0	TEMPERATURE SENDER	
7	824 31 10 112 01 0	CONNECTING SOCKET	

Profile Logout

PistenBully  **KÄSSBOHRER ALL TERRAIN VEHICLES, INC.**

Peace of Mind

Routine visits by factory trained staff to assist your operators and technical staff with the Kassbohrer product.

Annual service and parts training to educate, train and prepare your staff.

Kässbohrer World



Kassbohrer has been manufacturing snow cats for over 49 years. We have produced over 22,500 machines and are successful in 68 different countries. Our experience and quality can't be beat!

Technical and Product information located on our website:

www.pistenbullyusa.com

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1-775-636-4290

PistenBully



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