

TOWN COUNCIL STAFF REPORT

Title: Approve leases and award contract for operation of the Town's Snow Storage facility.

Meeting Date: October 19, 2022

Prepared by: Amy Callanan, PE, Engineering Manager
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Dan Holler, Town Manager

RECOMMENDATION:

Staff recommends the Town Council:

1. Authorize the Town Manager to finalize contract scope and fee negotiations and finalize contract for operation of the Town's Snow Storage Facility.
2. Authorize the Town Manager to execute a lease for land to operate a Snow Storage Facility.
3. Authorize the Public Works Director to execute the contracts and accept the work upon completion, and approve contract revisions to complete the work, up to an additional 25% of the awarded amount.

BACKGROUND:

In the past, the Town has worked with the United States Forest Service (USFS) to provide a snow storage facility. The facility is available to the public for snow storage when trucking is necessary. For decades, the Town has contracted out operations of the snow storage facility to provide onsite management such as locking/unlocking the gate, maintaining dump records, enforcing rules, managing site layout to provide sufficient space throughout the entire season, and spring cleanup. Recent agreements with USFS have placed a significant financial strain on the Town and negotiations for the site have become difficult. There is little certainty that the facility will be available for public use during the 2022/23 winter.

ANALYSIS:

Negotiations with USFS regarding the operation of the snow pit have become stagnant. Over the past few years, the USFS has required the Town to change how it contracts for services. The change in contracting shifted the financial burden to the Town. The cost to the Town, residents, and businesses is not sustainable for the local economy. Staff has tried to overcome these challenges with USFS; however, the conversation has not progressed and the status of a lease for the 2022/23 season is unknown as our request for a permit has yet to be addressed. In recent years, the Town has had to negotiate annually for a permit and has only been issued one-year permits. The Town needs to secure a location for the

public to store snow. Staff has evaluated a few sites and with Federal Lands not available, private land has become the short-term preferred alternative. Staff is in negotiations for use of land owned by the Mammoth Lakes Foundation east of the College and land owned by Snowcreek Investment Company commonly known as Snowcreek 8. Staff intends to lease land for three years. During these three years the Town intends to identify and secure a long-term location for the facility. Ideally, we would be able secure an agreement with the Forest Service as existed for several decades; however, this may not be achievable. The Town understands the importance of the Snow Storage Facility to the residents and businesses. The decision to relocate the facility is being done out of necessity to ensure continuity of service for the safety and economic vitality of the community.

A contract for management and administration of the facility will be executed with a local contractor. Snow management services are considered “street maintenance” work and are not considered a “public project” under Public Contract Code Section 20161, therefore a formal bidding process is not required. However, and in accordance with Municipal Code Section 3.20.290 general policy “...to allow for maximum possible competition in all areas to obtain the best product/service available at a fair and reasonable price”, the Town solicited informal bids from qualified contractors, with the understanding that the contract would be awarded to the contractor whose bid is determined by the Town to reflect the best combination of all responses contained within the Bid Proposal, including equipment list, hourly rates, current project commitments, past project experience, and the bidder’s questionnaire. The final fee negotiations will be based on the cost to the public. Similar to the Town’s fee schedule the contractor will be asked to provide pricing based upon the size of the truck delivering snow to the site. The Town expects to provide a revenue guarantee to the contractor to mitigate their financial risk which should help to reduce costs to the public.

FINANCIAL CONSIDERATIONS:

The snow pit contract for the winter of 2021/22 cost the Town in excess of \$800,000. This represents the costs for a mild winter under the contract with the USFS. A heavy snow year could easily triple this cost. The proposed contract places the burden of operations, management, and administration on the contractor. This will significantly reduce the financial burden currently held by the Town. It is anticipated that a revenue guarantee will be required as part of the final contract for services. Staff anticipates paying a small lease payment for the land to be used for the snow pit. In recent years the Town did not pay a lease payment to the USFS but rather provided in-kind services to assist in the maintenance and management of facilities in the Lakes Basin. The guarantee and lease payment would be within the current budget.