

## Michigan Department of Natural Resources

### Porcupine Mountain Wilderness State Park Concession Bid Response to Questions

November 5, 2021

In addition to the following questions and responses, the Department has also included the attached photographs of the site to help interested bidders be more familiar with the facilities. Additional questions should be submitted to [GreenL9@michigan.gov](mailto:GreenL9@michigan.gov).

#### **Question 1: Who is responsible for utilities and maintenance of the facility?**

Answer: The Department pays the utility bills for the facility and have and will continue to complete internal and external maintenance duties. The selected bidder will be responsible for daily janitorial duties of public and concession areas.

#### **Question 2: Please provide cafeteria, ski shop, and rental revenue only.**

Answer: The Department has the following information as provided by Gogebic Community College. No other financial information is available.

|                           | <u>2015</u>   | <u>2016</u>  | <u>2017</u>   | <u>2018</u>   | <u>2019</u>   | <u>2020</u>   |
|---------------------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Season Passes/Daily Sales | \$ 111,128.32 | \$ 10,550.18 | \$ 119,400.52 | \$ 125,779.80 | \$ 106,811.83 | \$ 146,463.01 |
| Concession Sales          | \$ 20,500.17  | \$ 20,992.72 | \$ 23,900.91  | \$ 19,644.52  | \$ 16,152.75  | \$ 22,126.77  |
| Retail Sales              | \$ 24,366.42  | \$ 24,525.44 | \$ 23,059.19  | \$ 31,519.57  | \$ 9,237.75   | \$ 25,022.77  |
| Rental Income             | \$ 15,715.09  | \$ 14,742.19 | \$ 15,349.99  | \$ 18,947.35  | \$ 35,432.28  | \$ 29,061.32  |
| Other Income              | \$ 6,126.76   | \$ 4,061.50  | \$ 4,586.00   | \$ 6,725.50   | \$ 7,664.00   | \$ 8,985.25   |
| TOTAL                     | \$ 177,836.76 | \$ 74,872.03 | \$ 186,296.61 | \$ 202,616.74 | \$ 175,298.61 | \$ 231,659.12 |

#### **Question 3: Please provide the net profit for the concessions.**

Answer: Net profits are not available. The Department does not have that information on record.

#### **Question 4: Who is responsible to purchase new skis and snowboards?**

Answer: The selected bidder will receive, without cost, the current inventory. Future purchases and repairs will be the responsibility of the selected bidder.

#### **Question 5: What is the exact inventory to be replaced every year?**

Answer: No inventory will be replaced by the Department. All future purchases of inventory will be the responsibility of the selected bidder.

**Question 6: Who is responsible for the ski equipment rental insurance?**

Answer: The selected bidder will be required to carry insurance as outlined in Section XI of the sample Concession Contract.

**Question 7: Can the State provide the rental insurance?**

Answer: No. The State of Michigan is self-insured and cannot insure any other entity, per state statute.

**Question 8: Is the Visitor Center storage shed listed in the bid the shed currently used by the concession operator?**

Answer: Yes. All improvements made to State land become the property of the State. Use of the existing shed will be granted to the selected bidder.

**Question 9: Is the area around the storage shed, including the woodshed and surrounding area to split wood available, that is currently used by concessions?**

Answer: Yes. It is a shared space with the Department.

**Question 10: Please provide a detailed drawing of the areas of the ski hill chalet that are available for the concession's operator. Note that currently the ticket office is adjacent to the office. It is our understanding that the ticket office may be used by the DNR, please confirm.**

Answer: See Exhibit A.

**Question 11: Is the existing office adjacent to the ticket sales for sole use of the concessions manager?**

Answer: The office and the ticket booth will be used by the Department. The selected bidder may use the existing office space within the water plant building or may convert a storage room within the basement of the ski hill chalet to an office, as designated by the Department.

**Question 12: Which areas will be designated for Department employee use, including the ski patrol area and lockers?**

Answer: See Exhibit A.

**Question 13: Will the ski hill operate 7 days a week or according to the previous Friday through Monday schedule?**

Answer: The sample contract may be amended to a four day a week operation for the ski hill upon final execution.

**Question 14: If the ski hill does not operate 7 days a week, will the ski hill concessions schedule reflect the ski hill operation?**

Answer: Yes.

**Question 15: Can the ski hill concessions minimum season reflect actual operating hours?**

Answer: The sample Contract requires a seven day a week operation but when it is finalized it may be changed to allow for a four-day operation at the ski hill.

**Question 16: Can the ski hill concessions operate during the fall color rides?**

Answer: Per the contract, the Contractor may obtain permission from the Department to open for longer terms that identified in Section II.F.

**Question 17: If the Department procures inventory for the Contractor, what profit is the Contractor entitled to?**

Answer: The Department will not procure inventory for the Contractor.

**Question 18: Will a percentage of the utilities for the ski hill chalet be paid by the DNR?**

Answer: The Department will pay the full cost of utilities for the ski hill chalet.

**Question 19: Will the DNR be responsible for the exterior maintenance of the ski hill chalet?**

Answer: Yes.

**Question 20: Will the DNR be responsible for the interior maintenance of the spaces not occupied and operated by the selected bidder?**

Answer: Yes.

**Question 21: Who is responsible for maintenance and repair of the three hot water boilers at the ski hill chalet?**

Answer: The Department.

**Question 22: What areas of the interior of the ski hill chalet will the DNR clean?**

Answer: The ticket booth, office next to the ticket booth, and for public use spaces during and following events.

**Question 23: Who is responsible for ski hill chalet janitorial duties?**

Answer: The selected bidder, excluding the above referenced Department responsibilities.

**Question 24: Please define who is responsible for maintenance and the cost in shared areas for the ski hill chalet and outdoor space.**

Answer: Please see above.

**Question 25: What portion of equipment is the DNR responsible for?**

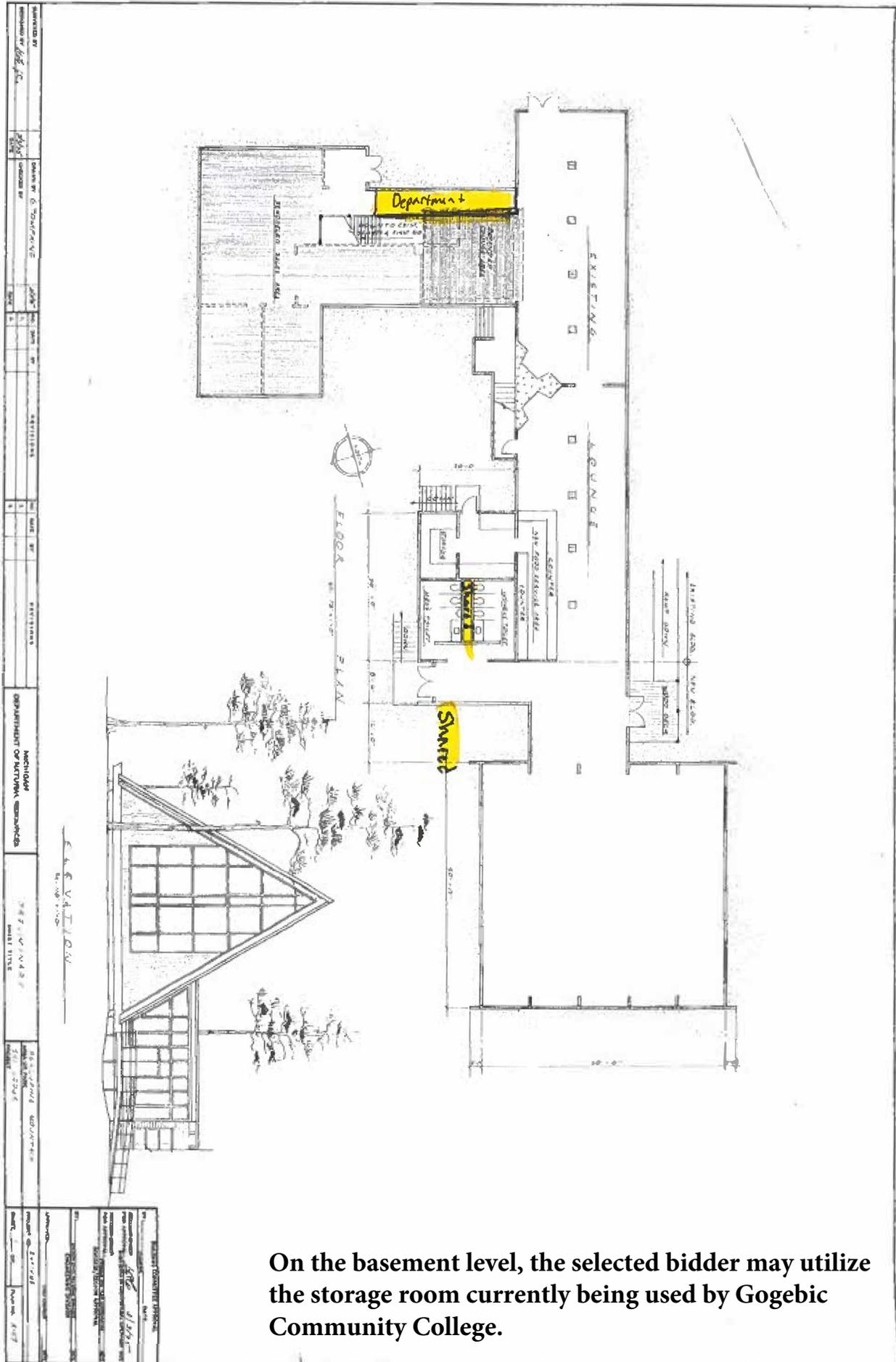
Answer: The Department will pay for all capital expenditures and capital outlay. The selected bidder is responsible for purchasing equipment and supplies needed to operate the concessions.

**Question 26: Does the contract need to be extended or renegotiated yearly?**

Answer: No. However, the Contract is subject to annual review and audit. Per state statute, a Concession Contract may only be issued for a seven-year term. With a proposed Contract execution in 2022, the Contract will expire on April 30, 2029 to secure the entire winter season.

**Question 27: Can the contract be renegotiated at the expiration date.**

Answer: No. Per state statute, concessions must be rebid every seven years.



On the basement level, the selected bidder may utilize the storage room currently being used by Gogebic Community College.