

MEMORANDUM**TO:** Board of Trustees**THROUGH:** Karen Crocker, Interim District General Manager / Director of Parks and Recreation**FROM:** Paul Raymore, Marketing and Communications Manager**SUBJECT:** Review, Discuss and possibly Approve an Agreement with Get Ski Tickets LLC for AI Chatbot Services for Diamond Peak Ski Resort's Website, for an Amount Not to Exceed \$8,400. (Requesting Staff Member: Marketing & Communications Manager Paul Raymore)**RELATED STRATEGIC PLAN BUDGET INITIATIVE(S):****LONG RANGE PRINCIPLE #6 - COMMUNICATION**

The District will engage, interact and educate to promote understanding of the venues, facilities, services, and ongoing affairs.

DATE: October 30, 2024**I. RECOMMENDATION**

That the Board of Trustees make a Motion to Authorize Staff to enter into an Agreement with Get Ski Tickets LLC for 2024/25 Fiscal Year AI-Chatbot Services for the Diamond Peak Ski Resort Website, for a Not to Exceed Amount of \$8,400.

II. BACKGROUND

The Marketing & Communications team is constantly evaluating tools to make our District communications more accessible and to give residents and customers more options for finding the information they want about District venues.

In the spring of 2024, we began seriously considering whether adding an AI-powered chatbot to the District website(s) could help our website users find information and get answers to their questions in a more natural way, while also cutting down on Staff resources required to answer phone calls and customer emails.

Custom AI-powered chatbots have evolved significantly in the past two years – and continue to evolve and improve significantly every 3-6 months or so – and are now capable of providing very useful answers to customer questions in real

time, in multiple languages, based on custom training and knowledge bases supplied by vendors such as the District.

In the summer of 2024, Staff realized that one of our long-time wholesale lift ticket sales partners – Get Ski Tickets LLC – had started offering custom AI-powered chatbots specifically tailored to the mountain travel industry and ski resorts. You can find more information on their website at <https://getskitickets.com/bots/>

The Get Ski Tickets AI chatbots offer 24/7 customer support online, are designed to reduce call volume into the Diamond Peak call center, provide real-time analytics about frequently asked questions, and provide pathways to transfer conversations to live call center agents when questions or requests exceed the chatbot's ability to help.

Key benefits of the Get Ski Tickets AI chatbot include:

- **24/7 Customer Support:** The chatbot offers round-the-clock assistance, ensuring that guests can access help anytime, which enhances overall satisfaction.
- **Cost Savings:** By managing a high volume of guest inquiries, the chatbot reduces the need for a large support team, enabling more efficient use of resources.
- **Multilingual Support:** With the ability to communicate in multiple languages, the chatbot helps the resort cater to a global audience, expanding accessibility.
- **Real-Time Analytics:** Resorts can monitor the chatbot's performance and guest interactions instantly, allowing for quick adjustments and insights.
- **Feedback & Improvement Tools:** The chatbot can be continuously improved based on guest feedback, ensuring it evolves to meet user needs.
- **Live Agent Rollup:** If the chatbot is unable to resolve an issue, the conversation is seamlessly transferred to a live agent for further assistance.
- **Boost Agent Engagement:** Let the chatbot handle routine inquiries, allowing agents to focus on high-value customers, reducing burnout, and lowering turnover.
- **COMING SOON:** Snow reports, dynamic pricing, and weather integrations.

Get Ski Tickets' AI chatbot service is powered by advanced natural language processing technology and built on OpenAI's API and artificial intelligence models, and then fine-tuned to answer questions relevant to the mountain travel industry. Get Ski Tickets utilizes various GPT models provided by OpenAI - including GPT-4, GPT-4 Turbo and GPT-3.5 - depending on the specific needs of their clients. OpenAI is the company behind the well-known ChatGPT AI chatbot,

which is trained on a vast trove of public data and can be used to answer general or highly specific questions, draft text, translate languages and more.

The potential Diamond Peak chatbot will be trained specifically on the information available on the DiamondPeak.com website, as well as custom additional training information that the Marketing & Communications team will create and feed it. And the scope of questions the Diamond Peak chatbot is trained to answer can be limited to those questions reasonably related to planning a trip to Diamond Peak or Incline Village. The Ai chatbot will also "learn" from its interactions with [DiamondPeak.com](https://www.diamondpeak.com) website users, allowing it to get better at answering frequently asked questions.

The Get Ski Tickets AI chatbot will also soon feature integrations with SnoCountry for real-time snow report data. For example, using their API, the chatbot can pull up-to-date snow conditions for resorts like Diamond Peak, ensuring that guests always have access to the latest information within the Chatbot. This data can also be used to train the bot on projected opening and closing dates dynamically.

Additional information from the SnoCountry feed that will be part of the chatbot's knowledge base:

- Snow Condition, new snow, 48 hour snow, snow depth
- Terrain status
- Operating hours

Eventually, Get Ski Tickets has plans to integrate dynamic pricing, allowing customers to search rates and availability directly through the bot, streamlining the booking process and enhancing the guest experience.

Staff hopes that a Diamond Peak AI chatbot this winter can serve as a test case for whether this technology may be helpful more broadly on the District's YourTahoePlace.com website in the future. Lessons learned during the 2024-25 trial period at Diamond Peak will inform Staff's decision-making around these tools going forward.

Both the Diamond Peak General Manager and the District's Director of Information Technology have been involved in the demonstrations and discussions with Get Ski Tickets around the potential use of an AI chatbot for Diamond Peak, and both approve of this potential trial period to evaluate the technology.

III. BID RESULTS

The proposed agreement is exempt from competitive bidding requirements under NRS 332.115, as a sole source purchase for professional services (NRS 332.115 subsection 1.b).

IV. FINANCIAL IMPACT AND BUDGET

The Get Ski Tickets AI chatbot cost is \$750 per month from the contract start date through the end of the 2024-25 fiscal year – a total of \$6,000 presuming a November 2024 start date.

Staff recommends allowing for an additional not-to-exceed total of \$2,400 in contingency funding for optional live human escalation support services and/or training services by Get Ski Tickets' staff. This contingency funding is unlikely to be utilized unless Staff sees the need to augment existing Diamond Peak call center resources during peak booking seasons this ski season, in which case such augmentation would bring additional revenue and return on investment to the resort.

Budget for the Diamond Peak AI chatbot would come from the Diamond Peak Marketing - Computer Licensing & Fees account (30343498-7310) which is used for similar Diamond Peak and District-related online services such as the District's Alchemer online survey building tools and Diamond Peak's Inntopia Customer Relationship Management (CRM) platform.

Benefits & Potential Cost Savings

Staff hopes that the addition of an AI chatbot will give Diamond Peak customers an option to get questions answered 24/7 in real time, thus improving the resort's ability to provide customer service to our guests and increasing customers' conversion rate.

While the ultimate impact on staffing needs in the Diamond Peak call center is unknown, Staff expects that the AI chatbot will reduce call volumes and thus call center wait times for customers looking to book ski lessons, lift tickets, rentals and other products, which will also increase the call center's conversion rate and revenues booked.

Ultimately, if successful, the AI chatbot may reduce or offset the need for call center staffing during some non-peak periods, resulting in savings in staffing costs.

V. ALTERNATIVES

VI. COMMENTS

Get Ski Tickets AI-Chatbots for Customer Service agreement has been reviewed and approved by District's legal counsel.

VII. BUSINESS IMPACT/BENEFIT

VIII. ATTACHMENTS

1. Get Ski Tickets AI-Chatbots for Customer Service agreement

IX. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES

That the Board of Trustees authorize Staff to enter into an agreement with Get Ski Tickets LLC for 2024/25 fiscal year AI chatbot services for the Diamond Peak Ski Resort website, for a not-to-exceed total amount of \$8,400, or the Board of Trustees can decide not to authorize Staff to enter into an agreement for AI chatbot services this fiscal year.

Get Ski Tickets AI-Chatbot as a Service Agreement

This Software as a Service Agreement (the "Agreement") is entered into as of [] (the "Effective Date") by and between Get Ski Tickets LLC, a Colorado corporation with its principal place of business at 1001 Bannock Street #461 in Denver, Colorado ("Company"), and the Incline Village General Improvement District (dba Diamond Peak Ski Resort), a general improvement district with its principal place of business at 893 Southwood Blvd., Incline Village, Nevada ("Customer").

RECITALS

WHEREAS the Company is in the business of providing AI-chatbot services specifically tailored to the mountain travel industry and other related sectors.

WHEREAS the Customer desires to utilize such services under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

I. Definitions

1.1 "Services": Refers to the AI-chatbot services provided by the Company to the Customer as described in Exhibit A attached hereto.

1.2 "Implementation": Refers to the set-up and customization of the Services to meet the specific needs of the Customer.

1.3 "Initial Training": Refers to the training provided by the Company to the Customer's staff for effective utilization of the Services.

1.4 "Ongoing Assistance": Refers to continuous support provided by the Company to ensure the optimal functioning of the Services.

1.5 "Term": Refers to the duration of this Agreement, which shall be twelve (12) months starting from the Effective Date.

1.6 "Monthly Cost": Refers to the base fee payable by the Customer to the Company for the Services, set at \$750 per month, subject to adjustment as provided in this Agreement. This cost does not include additional fees for optional services such as live human escalation support or agent training, which are billed separately as outlined in Exhibit D.

1.7 "User Data": Refers to all data input by the Customer into the Services, including but not limited to customer information, chat logs, and analytics data.

1.8 "Confidential Information": Refers to any non-public, proprietary, or confidential information shared between the parties as part of this Agreement. This includes software code, AI models, algorithms, business strategies, pricing plans, custom integrations, product designs and technical specifications.

II. Term

2.1 Term: This Agreement shall commence on the Effective Date and continue through June 30, 2025 unless terminated earlier in accordance with the terms herein.

2.2 Renewal: Upon the expiration of the Initial Term, this Agreement will automatically renew for successive twelve (12) month terms unless either party provides written notice of its intent not to renew at least thirty (30) days prior to the end of the then-current term. Note that the Monthly Cost may be subject to adjustment for any Renewal Term as outlined in Section 3.3.

III. Fees and Payment Terms

3.1 Monthly Fee: Customer agrees to pay the Company \$750 per month for the Services.

3.2 Payment Terms: Payments are due upon the effective date of the service. Payments can be made via credit card, ACH transfer, or by check. Payments not received within thirty (30) days of the due date will incur a late fee of 1.5% per month, not to exceed 10% of the outstanding balance. Continued non-payment may result in suspension of Services until payment is received.

3.3 Fee Adjustments: The Company reserves the right to adjust the Monthly Cost for any Renewal Term upon providing the Customer with at least thirty (30) days written notice prior to the commencement of such Renewal Term. If the Customer does not agree to the new fees, they may terminate the Agreement by providing written notice before the start of the Renewal Term.

IV. Implementation and Initial Training

4.1 Implementation: The Company will implement the Services for the Customer within thirty (15) days from the Effective Date. The scope of the implementation will be as detailed in Exhibit B attached hereto.

4.2 Initial Training: The Company will provide an initial training session within fifteen (15) days of the completion of the implementation phase. This training will cover all essential aspects of the Services, including usage, maintenance, and troubleshooting.

4.3 Delays: If the implementation or training is delayed due to the actions or inactions of the Customer, the Company may extend the timeline for a reasonable period, not to exceed fifteen (15) days.

V. Ongoing Assistance

5.1 Support Services: The Company shall provide ongoing assistance to the Customer for the duration of the Term. This includes technical support, updates, and maintenance of the Services as necessary. Such services are included in the cost of the Monthly Fee set forth in Section 3.1.

5.2 Scheduled Maintenance: The Company will provide the Customer with at least forty-eight (48) hours' notice of any scheduled maintenance that may affect the availability of the Services.

VI. Custom Development and API Integrations

6.1 Scope of Work:

If the Customer needs additional development work, such as API integrations or custom features beyond the standard Services, this will be outlined in a separate Statement of Work (SOW) agreed upon by both parties and approved by means of an amendment to this Agreement.

6.2 Additional Fees:

Any custom work will incur additional fees, as detailed in the SOW, and will be billed separately from the regular monthly fees.

6.3 Timeline:

The Company will aim to complete the custom work within the timeline specified in the SOW. Delays caused by the Customer may result in timeline adjustments.

6.4 Ownership:

Unless stated otherwise in the SOW, the Company retains ownership of any custom development. The Customer will have a license to use these features as part of the Services.

6.5 Support:

Support and maintenance for custom features or API integrations will be provided as outlined in the SOW or a separate agreement.

6.6 Third-Party API Subscriptions:

The use of third-party API services for multichannel integration, including but not limited to Twilio for SMS/voice, Facebook Messenger API, WhatsApp Business API, Zapier, Salesforce, Inntopia Marketing Cloud, HubSpot, and Zoho CRM, may require the Customer to purchase and maintain any necessary subscriptions for those services. These subscriptions are not included in this Agreement and must be procured separately by the Customer.

VII. Customer Responsibilities

6.1 Use of Services: The Customer agrees to use the Services solely for the purposes intended and in compliance with all applicable laws and regulations.

6.2 Data Accuracy and Legality: The Customer is responsible for the accuracy and legality of all data input into the Services.

6.3 Data Security: The Customer shall implement reasonable security measures to protect its data and ensure that its use of the Services does not compromise the security of the Services or the data of other customers.

VIII. Indemnification

7.1 Insurance Requirements. Company shall procure and maintain for the duration of the contract insurance against claims for security breaches, system failures, injuries to persons, damages to software, or damages to property (including computer equipment) which may arise from or in connection with the performance of the work hereunder by the Company, its agents, representatives, or employees. Company shall procure and maintain for the duration of the contract insurance claims arising out of their services and including, but not limited to loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Workers’ Compensation insurance as required by the State of Nevada.
3. Cyber Liability Insurance, with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Company in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The Customer, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Company including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an

endorsement to the Company's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the Company's insurance coverage shall be primary and non-contributory. Coverage for commercial liability shall be at least as broad as ISO CG 20 01 04 13 with respect to the Customer, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Customer, its officers, officials, employees, or volunteers shall be excess of the Company's insurance and shall not contribute with it. This requirement shall also apply to any excess policies.

Waiver of Subrogation

Company hereby grants to Customer a waiver of any right to subrogation which any insurer of said Company may acquire against the Customer by virtue of the payment of any loss under such insurance. Company agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Entity has received a waiver of subrogation endorsement from the insurer.

7.2 Company Indemnity: The Company agrees to indemnify, defend, and hold harmless the Customer from any claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees) arising out of or related to the Company's provision of the Services, including claims of intellectual property infringement by the Services. This provision shall survive the termination or expiration of the Agreement.

7.3 Limitation of Liability: In no event shall the Company be liable for any indirect, incidental, special, or consequential damages arising out of or in connection with this Agreement or the Services, including but not limited to loss of revenue or profits, even if the Company has been advised of the possibility of such damages. This limitation does not apply to breaches of confidentiality, gross negligence, or willful misconduct.

IX. Confidentiality

8.1 Confidential Information: Both parties agree to keep confidential any proprietary or confidential information disclosed to the other party during the Term of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall prohibit the disclosure of information, documents, or records, where such information is required to be disclosed in accordance with applicable law, including but not limited to, in response to a subpoena, court order, or as determined in the discretion of the Customer, required to comply with the Nevada Public Records Act or Open Meeting Law.

8.2 Duration: The obligations under this section shall survive for a period of three (3) years following the termination or expiration of this Agreement. Upon termination or expiration, the receiving party shall return or destroy all Confidential Information of the disclosing party in its possession.

X. Termination

9.1 Termination for Convenience: Either party may terminate this Agreement at any time by providing sixty (60) days written notice to the other party. The Customer must pay any outstanding fees up to the date of termination within thirty (30) days after notice is given.

9.2 Termination for Cause: Either party may terminate this Agreement immediately upon written notice if the other party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days of receipt of written notice.

9.3 Effect of Termination: Upon termination, the Customer shall immediately cease all use of the Services and pay all outstanding fees due to the Company up to the date of termination. The Customer shall also return or destroy all Confidential Information of the Company in its possession. In the event of termination close to the renewal period, the Customer remains liable for any outstanding fees up to the date of termination, including any payments due under the renewal term if termination occurs after the renewal date.

XI. Miscellaneous

10.1 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, without regard to its conflict of laws principles. Any disputes arising out of or relating to this Agreement shall be resolved in the courts located in the jurisdiction of Customer.

10.2 Entire Agreement: This Agreement, including all Exhibits, constitutes the entire agreement between the parties and supersedes all prior agreements or understandings, whether written or oral, relating to the subject matter herein.

10.3 Amendments: No modification or amendment of this Agreement shall be effective unless in writing and signed by both parties.

10.4 Assignment: The Customer may not assign this Agreement without the prior written consent of the Company. The Company may assign this Agreement to an affiliate or in connection with a merger, acquisition, or sale of all or substantially all of its assets without the consent of the Customer, provided that the assignee's capabilities and financial standing are comparable to those of the Company.

10.5 Force Majeure: Neither party shall be liable for any failure or delay in performing its obligations under this Agreement due to circumstances beyond its reasonable control, including but not limited to acts of God, war, terrorism, strikes, embargoes, government orders, or other events of force majeure.

10.7 Severability: If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall remain in full force and effect.

10.8 Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.9 Headings: The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

GETSKITICKETS.COM

By: _____
Name: _____
Title: _____
Date: _____

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

By: _____
Name: Karen Crocker
Title: Interim General Manager
Date: _____

Exhibit A - Description of Services

AI Chatbot Services for Mountain Travel Industry

The Company provides AI-powered chatbots specifically designed for ski resorts and the mountain travel industry. The key features and functionalities include:

- **24/7 Customer Support:** Automated assistance available round-the-clock.
 - **Multilingual Capabilities:** Supports multiple languages to cater to a diverse customer base.
 - **Real-Time Analytics:** Provides insights into customer interactions and performance.
 - **Customer Feedback:** Tools for collecting and analyzing guest feedback.
 - **Human Escalation Tools:** Seamless transition from chatbot to human agents when necessary. See exhibit D.
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Exhibit B - Implementation Plan

Timeline: The Company will begin the implementation process on the Effective Date and complete it within fifteen (15) days.

Customization: The Services will be customized to meet the specific needs of the Customer, including integrating with the Customer's existing systems as necessary.

Milestones:

- **Initial Consultation:** Completed within three (3) days of the Effective Date.
- **System Integration:** Completed within seven (7) days of the Effective Date.
- **Testing Phase:** Completed within fourteen (14) days of the Effective Date.
- **Final Review and Go-Live:** Completed within fifteen (15) days of the Effective Date.

Responsibilities: The Customer will provide all necessary access to systems, information, and personnel required for the implementation.

Exhibit C - Services and Support Terms

Platform Features:

- Ability to leverage insights from user behaviors and feedback.
- Ability to adjust the content of the chatbot.
- Ability to seamlessly escalate the chat to human support.
- Ability to utilize GPT Language Model to continuously improve the NLP capabilities of the bot.
- Ability to send push notifications.
- Unlimited admin seats.

Initial Training Resources and Account Support:

- A live training session will be provided at the start of the service, covering all key features and how to use the platform.
- Attendees will receive user guides and manuals for reference.
- Recordings of live sessions will be made available for future use, upon request.
- Access to ongoing resources, including a knowledge base with guides and FAQs, will be provided to support continued learning.

Ongoing Support:

- Diamond Peak will be provided with 5 hours of dedicated support time per month to assist with any questions, further training needs, or platform optimization.
- Beyond the included 5 hours, any additional support will be billed at a rate of \$30 per hour.

Response Times for Service-Related Incidents:

- **High Impact:** 0-24 hours.
- **Medium Impact:** Within 48 hours.
- **Low Impact:** Within 5 working days.

Issue Classifications:

- **High Impact:** All system parts are unresponsive/unavailable to the customer.
- **Medium Impact:** One or more system parts are unresponsive/unavailable to the customer.
- **Low Impact:** One or more components of one system part are unresponsive/unavailable, but not all.

Helpdesk Tickets:

The Company will inform the Customer immediately if more reasonable time is required to respond to a Helpdesk ticket. The Customer may initiate a helpdesk ticket by emailing info@getskitickets.com.

Exhibit D - Cost Structure for Live Human Escalation

1. Overview

This cost structure outlines the additional fees associated with utilizing the company's live agents for human escalation as part of its AI Chatbot Services. Customers may choose to either utilize their own team of agents for handling escalations or opt to use the company's team of agents at the following rates. All rates are in USD and apply unless otherwise agreed upon in writing by both parties.

Charges for Live Human Escalation support shall not exceed \$2,400 per fiscal year (July 1 – June 30) without prior written approval from the Incline Village General Improvement District's Marketing Staff.

2. Standard Support

- Rate: \$30 per hour, per agent
- Service Includes:
 - Handling standard customer inquiries and escalations.
 - Resolving issues within the first escalation tier.

3. Training Services

- Rate: \$30 per hour
- Service Includes:
 - Training for the Customer's team of agents to effectively handle escalations.

4. Payment Schedule

- Invoices: Invoices for live agent support and training services will be issued monthly and are due within 30 days of receipt.
-