
Report of Head of Active Leeds

Report to Chief Officer Culture and Sport

Date: 19th February 2019

Subject: The approval to call off from the ESPO framework 345 to award a contract for the supply, installation and maintenance of cardio vascular equipment for LCC Leisure Centres for the period from 20/04/2019 to 30/6/2020

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. The contract DN336487 to supply cardiovascular and strength equipment was due for renewal on 31st Jan 2019. The current supplier are 'Technogym UK Ltd through the **ESPO Framework 345 'fitness equipment (supply, delivery, installation & maintenance)**.
2. Members of the Active Leeds senior management team and colleagues who work specifically within the fitness side of the business, have discussed and reviewed procurement options in order to identify the best option for the service.
3. Following research of the market and consultation with members of the Council Projects and Procurement Unit, the **ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance)** still represents based value and provided all the requirements of this contract.
4. A full review of the framework has been undertaken and demonstrated that it meets the service needs. Using an existing framework will also provide value for money and save on resources.

Recommendations

5. The Chief Officer Culture and Sport is requested to approve the recommendation to award a contract to Technogym UK Ltd using ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance) for Leeds City Council Leisure Centres for the period from 20/4/2019 to 30/6/2020.

1. Purpose of this report

- 1.1 The purpose of this report is to request permission from the Chief Officer Culture and Sport to give approval to call off from the **ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance)** for LCC Leisure Centres for the period from 20/4/2019 to 30/6/2020 and then award to Technogym.

2. Background information

- 2.1 Contract **DN336487** for the supply of cardiovascular and strength equipment to Leeds City Council Leisure Centre gyms, was due for renewal on 31st Jan 2019.
- 2.2 This equipment forms an essential part of the LCC gym provision. The supply and maintenance of new equipment is deemed to be necessary in order to stay in competition with the private sector and maintain income levels.
- 2.3 After researching the market and consultation with members of the Council Projects and Procurement Unit, the **ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance)** provides all the requirements of this council and provides Value for Money.
- 2.4 ESPO work for central and local government to help achieve efficiencies through the frameworks they procure. Frameworks are a shortcut to access a wide range of products and services available directly from hundreds of different suppliers, all compliant with the UK and EU Public Contract Regulations. The ESPO framework 345 is just one of hundreds of frameworks that they have available to local government to use. The ESPO framework is fully compliant with OJEU and has been ratified by the procurement legal team
- 2.5 Approval was given on the 1st of August 2018 to use the ESPO framework for the Council to call off equipment via this contract when required up to the 31st January 2019 under decision DN336487 using Technogym as the main supplier of fitness equipment for the service. It was setup short term due to the current ESPO framework 345 agreement only running until the January 31st 2019 and the new ESPO framework details were yet to be confirmed at this time.
- 2.6 The ESPO framework is fully compliant with OJEU and has been ratified by the procurement legal team.

3. Main issues

- 3.1 The original ESPO framework 345 agreement was due to end on the 31st January, however due to them not completing work in time they have now extended this framework for a further year meaning it now runs out on January 31st 2020 instead.

- 3.2 This now requires the service to continue our current contract for a further year using the framework and stay with Technogym as a direct supplier. The added benefits to directly appointing a supplier through the framework were and are still relevant now:
- Better value for money by gaining lower prices for the equipment
 - Reduced officer time coordinating purchase, as you are working with one supplier rather than a multitude of suppliers.
 - Reduced officer time dealing with servicing and maintenance of the equipment.
 - Consistency in the type of equipment for customers (e.g similar operating and safety procedures)
 - Consistency in digital journey for customer logging and tracking their activity on the gym equipment.
- 3.3 The Active Leeds team have reviewed the providers and equipment available and identified Technogym UK Ltd was able to meet the Council's requirement. Costs were benchmarked against the cost of the equipment under the previous contract and this confirmed that this solution represent better value for money. The service have worked with the provider for the last 4 years in which they have delivered everything agreed and a positive relationship has been built.
- 3.4 The new ESPO framework details are yet to be revealed. These will be monitored ahead of the current contract coming to an end and action will be taken accordingly to ensure the continuation of service.
- 3.5 The Active Leeds service aim to have the new contract in operation from 20/4/2019 and run it until the 31st January 2020 to run with the current ESPO framework 345.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has been undertaken with senior and operational members of the Active Leeds fitness, facilities and service improvement teams.
- 4.1.2 As this will be a high value procurement, a representative from the Active Leeds team has met with the category manager for the Projects and Procurement Unit to discuss the procurement route, and they will be supporting the service throughout the procurement process.
- 4.1.3 The Executive Member, responsible for Active Leeds was consulted on the 21st February.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The specification contains requirements for equipment to be suitable for all users with specific considerations for disabled customers and young adults. A copy of the Equality Impact Assessment can be found as Appendix "A." attached to this document.

4.3 Council policies and best council plan

4.3.1 This project will impact upon the strategic priorities of Leeds 2030: Vision for Leeds 2011-2030:

- Leeds's economy will be prosperous and sustainable. Leeds will be a city that has a world-class cultural offer and built on its strengths in financial and business services, and manufacturing, and continued to grow its strong retail, leisure and tourism, health and medical sectors, and its cultural, digital and creative industries;
- All Leeds's communities will be successful: Our communities will thrive and people will be confident, skilled, enterprising, active and involved. To do this Leeds will be a city where healthy life choices are easier to make and local cultural and sporting activities are available to all.

4.4 Resources and value for money

4.4.1 The costs of the equipment will be met by the service's capital expenditure budgets and financed through approved leasing.

4.4.2 The use of the pre-approved national ESPO framework will reduce the Council's staff time and costs associated with a full procurement process.

4.4.3 We have benchmarked the equipment prices within the industry and we have found that the ESPO framework prices are competitive within the market and from previous tender contracts and therefore provide the council with value for money.

4.5 Legal implications, access to information, and call-in

4.5.1 The contract value is estimated to be £400,000 over the 15 months of the duration of the current framework years and therefore considered a key decision the call in process with therefore apply

4.5.2 The ESPO framework is fully compliant with OJEU and has been ratified by the procurement legal team.

4.5.3 The call off from the ESPO Framework 345 will be subject to call in under the council's constitution

4.6 Risk management

4.6.1 The risk of not following the recommendations outlined in this report are that the equipment will break down and there will be no structure in place to replace. The subsequent lack of provision is likely to affect the ability of the service to continue to retain and recruit new members.

4.6.2 Should the successful provider not be able to fulfil the requirements of the service, then other suppliers are available if required..

5. Conclusions

5.1 The Chief Officer Culture and Sport is requested to approve calling off from the **ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance)** for Leeds City Council's leisure and wellbeing centres.

6. Recommendations

- 6.1 The Chief Officer Culture and Sport is requested to approve the recommendation to award a contract to Technogym UK Ltd using ESPO framework 345 'Fitness equipment (supply, delivery, installation & maintenance) for Leeds City Council Leisure Centres for the period from 20/4/2019 to 30/6/2020.

7. Background documents¹

- 7.1 None.

8. Appendices

- 8.1 Equality Impact Assessment (EIA) – Appendix "A"
- 8.2 Privacy Impact Assessment (PIA) – Appendix "B"
- 8.3 Decision notice DN336487 The approval to award a contract to Technogym UK Ltd using ESPO framework 345 for the supply, installation and maintenance of cardio vascular equipment for LCC Leisure Centres for the period from 1/9/2018 to 31/1/2019

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.