



Report to: Head of Active Leeds

Report of: Programmes Manager

Date: 19th September 2019

Subject: Renewal of contract A28G-VM7XAI for servicing of existing cardio vascular and strength equipment.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" 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

1. Main issues

- The contract for the servicing and maintenance of the remaining Life Fitness cardio vascular and strength equipment is due for renewal for 2019/20. The majority of equipment is now provided by Technogym and subject to a separate contract.
- To ensure health and safety guidelines are met, all gym equipment must be serviced on an annual basis and any repairs carried out in a timely manner by an approved supplier for the equipment.
- In order to maintain and continue to grow income and participation Active Leeds are seeking to renew the contract.
- Across the leisure industry it is recognised that customers look for and expect a good standard of facility and equipment to support their engagement in physical activity. If their expectations are not met then the number of users attending a facility reduces which has a direct impact on the associated health outcomes for those engaged in regular physical activity. In addition and importantly for the council any reduction in numbers attending the cities leisure centre portfolio reduces the income generating potential of that facility.

2. Best Council Plan Implications

- The gym equipment helps to support healthy, physically active lifestyles by making sure the equipment is in a safe working order.

3. Resource Implications

- The total cost of repairs and maintenance with Amazon Leisure will be in the region of £75,000 per annum based on previous years spend. This is already in the existing revenue budget for this purpose.

Recommendations

- a) The Head of Active Leeds is recommended to approve the waiver of the contract procedure rules no 8.1 and 8.2 – intermediate value procurements and award a contract to Amazon Leisure in the sum of £75,000. The contract will expire on the 31st March 2020.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to spend £75,000 on a servicing contract for the remaining Life Fitness strength and conditioning equipment with Amazon Leisure for the year 2019/20, funded from existing Active Leeds revenue budget.

2. Background information

- 2.1 Active Leeds Service consists of 17 facilities across the city and an Active Leeds development function which together provides a sport and active lifestyle service to people all ages and abilities. The service has over recent years regularly exceeded 3.5 million visits per annum to its leisure centre portfolio and has an annual activity income target in excess of £13.6 million.
- 2.2 Amazon Leisure have been repairing and servicing the existing Life Fitness gym equipment since the commencement of this contract in 2015. The contract was subsequently extended until April 2019.
- 2.3 Prior to April 2014 Life Fitness supplied all of Active Leeds gym equipment. Technogym are now the approved supplier and occupy the vast majority of the service's gyms with Life Fitness kit is phased out by 2022. There is a spate servicing arrangement with Technogym as part of their wider contract with the service. There remains however a need for specialist support to carry out servicing of the remaining Life Fitness. Amazon Leisure engineers are approved with Life Fitness and are experienced in servicing their equipment.
- 2.4 To ensure health and safety guidelines are met, all gym equipment must be serviced on an annual basis and any repairs carried out in a timely manner by an approved supplier for the equipment

- 2.5 This contract runs with DN 336487 for 'The supply and service of cardio vascular strength equipment', where the supplier 'Technogym' are only able to service their own make of equipment.
- 2.6 Life Fitness are present in 6 gyms, totalling 300 pieces of equipment. This will reduce by 2020 to 4 gyms and 200 pieces of equipment. This is due to refurbishment of Aireborough and Garforth gyms, where new Technogym equipment will be installed.

3 Main issues

- 3.1 The current contract with Amazon Leisure has expired and to ensure the service continues to repair and service the gym equipment a contract needs to be in place.
- 3.2 The servicing and maintenance of existing cardio vascular and strength equipment is vital to the functioning of the gyms in our leisure centres. Therefore failing to renew the contract is not an option. Otherwise this will lead to equipment being out of order in the gym and will affect customer retention and sales.
- 3.3 Following advice from procurement officers, the current ESPO framework for the servicing of existing cardio vascular and strength equipment has been deemed to be unfit for the purpose of this contract. Currently the framework only covers the service and maintenance of PE school equipment only.
- 3.4 Initially Active Leeds service were hoping to merge these 2 contracts together. However after testing the market it was clear that this was not going to be compatible at this time if the council was to get the best value for money deal. The service will be working to ensure the contract can be merged in 2020/21 when the new ESPO framework is released.
- 3.5 There have been no issues reported with this supplier and the work has been performed to a satisfactory standard that Active Leeds are happy with.
- 3.6 Although there is a reducing number Life Fitness equipment gyms, those remaining have ageing stock which is requiring more maintenance and repairs, therefore putting additional pressure of having this contract in place.
- 3.7 Extending the current contract is value for money and therefore it is recommended to award a new contract until April 2020, until a full tender exercise can be conducted in 2020 and the possibility of using the new ESPO framework is explored further.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The 12 month contract period has been agreed by officers working in the Active Leeds service.
- 4.1.2 The Executive Member for Environment and Active Lifestyles has been consulted with on 2nd September 2019.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no equality and diversity/cohesion and integration issues related to this contract waiver request.

4.3 Council policies and the Best Council Plan

- 4.3.1 The contract enables the none Technogym existing cardiovascular and strength equipment to be operated in a safe manner and therefore available for public use. The contract supports the following policies through assisting in sport participation:
- The gym equipment helps to support healthy, physically active lifestyles
 - Live with dignity and stay independent for as long as possible
 - Enjoy greater access to green spaces, leisure and the arts

Climate Emergency

- 4.3.2 The supplier is working to be environmental friendly in its packaging and shipping materials as well as looking to use sustainable materials to power its transport vehicles.

4.4 Resources, procurement and value for money

- 4.4.1 The total cost of repairs and maintenance with Amazon Leisure will be in the region of £75,000 per annum based on previous years spend. This is already in the existing revenue budget for this purpose.
- 4.4.2 The extension of this contract until April 2020 delays the need for a lengthy tender process. This will save on staff time and costs.
- 4.4.3 Extending the current contract is value for money and therefore it is recommended to award a new contract until April 2020, until a full tender exercise can be conducted in 2020 and the possibility of using the new ESPO framework is explored further.

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

- 4.5.1 The legal implications of this request are detailed in Contract Procedure Rules 8.1 and 8.2. This DDN waiver request is not subject to a call in.

4.6 Risk management

- 4.6.1 Failure to service and maintain the gym equipment will result in the continued decay of the equipment and therefore the continued reduction in customer visits, income and the reputation of the council in fulfilling its stated outcomes, priorities and key indicators.
- 4.6.2 Although unlikely following a new tender exercise we could be left without a company to service and maintain Life Fitness equipment. The tender documents will need to ensure this is reflected within so it does not happen.

5 Conclusions

- 5.1 The current contract has been delivered well by the current supplier and an option to offer a new contract to Amazon Leisure until 31st March 2020 is the best option

available. Extending the contract would maintain the current prices and prevent a costly tender process.

6 Recommendations

- 6.1 The Head of Active Leeds is recommended to approve the DDN waiver of the contract procedure rules no 8.1 and 8.2 – intermediate value procurements and award a contract to Amazon Leisure in the sum of £75,000. The contract will expire on 31st March 2020.

7 Background documents¹

- 7.1 None.

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.