



Report of Head of Active Leeds

Report to Director of City Development

Date: 02.01.2020

Subject: DDN report for the procurement of gym 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 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

1. Main issues

- The contract DN401547 for the Supply, Installation and Maintenance of Cardio Vascular Equipment is due for renewal on 01 July 2020. The current supplier are 'Technogym UK Ltd' contracted through the **ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance)**.
- Members of the Active Leeds senior management team and colleagues who work specifically within the fitness team, have discussed and reviewed procurement options in order to identify the best option for the service.
- Following research of the market and consultation with members of the Leeds City Council Procurement and Commercial Service, the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) represents best value and provides all the requirements of this contract.

2. Best Council Plan Implications

- The gym equipment replacement programme will help to support healthy, physically active lifestyles, with ensuring the equipment is right for the demographics of the area and the latest fitness trends. This will mean more people will enjoy happy, healthy, active lives.
- The equipment will be tailored for older people and people with disabilities to help to contribute to promoting opportunities for older people to be healthy, active, included

and respected. The equipment has taken into consideration adult social care requirements who are a key partner in our Leisure Centre's.

3. Resource Implications

- The contract value is estimated to be over £800,000 over the 5 years of the duration of the current framework, however the actual spend depends on funds available through supported prudential borrowing.

Recommendations

- a) The Director of City Development is requested to approve calling off from the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) for LCC Leisure.
- b) The Director of City Development is requested to approve a direct call off from the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) for LCC Leisure Centres and award to Technogym UK Ltd for the period 01/07/2020 to 30/06/2024.

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 undertake a direct call off from the **ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance)** for LCC Leisure Centres and award to Technogym UK Ltd for the period from 01/07/2020 to 30/06/2024.

2. Background information

- 2.1 Approval was given on the 25 March 2019 to use the ESPO framework for the Council for supply and maintenance of purchase gym equipment when required from 25 April 2019 to 30 June 2019 under Yortender reference DN 401547. The ESPO framework enabled the service to use Technogym UK Ltd as the main supplier of fitness equipment supply and maintenance for this period. It was set up short term due to the current ESPO framework 345 agreement only running until the 31 January 2020 and the new ESPO framework details were yet to be confirmed at the time. It was known that a further options appraisal would be required to determine the best procurement option after this period.
- 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 ESPO offer frameworks for central and local government to help achieve efficiencies through the frameworks. 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 ESPO have available.
- 2.4 The ESPO framework is fully compliant with OJEU requirements and has been approved by the council's procurement legal team.

3. Main issues

- 3.1 The Contract DN401547 for the Supply, Installation and Maintenance of Cardio Vascular Equipment is due for renewal on 01 July 2020.
- 3.2 Following further discussions with the procurement team it has become apparent that we can call off the existing framework and do not need to wait until a new framework is in place.
- 3.3 Following an options appraisal which has included appraising a full tender exercise; purchasing from existing frameworks; and researching the market, with advice from members of the Council Procurement and Commercial Services, the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) has been found to provide all the requirements and provides the value for money.
- 3.4 The added benefits of directly appointing a supplier through the framework are:
- Better value for money by gaining lower prices for the equipment.
 - Reduced officer time coordinating purchase, as the council is 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 the digital journey for customer logging and tracking their activity on the gym equipment.
- 3.5 A direct call off from the framework is available where a supplier is identified that best meets requirements and value for money is secured. The Active Leeds team have reviewed the providers and equipment available on the framework and identified Technogym UK Ltd best meets the Council's requirements based on the information provided by ESPO in the User Guide. Costs have been benchmarked against the cost of the equipment under the previous contract and against the different suppliers on the framework who best matched Technogym UK Ltd and it was found that Technogym UK Ltd equipment prices remain competitive and demonstrates value for money. The service have worked with the provider for the last 5 years in which time the equipment quality has been found to be high, they have delivered everything agreed and a positive relationship has been built.
- 3.6 The Active Leeds service aim to have the new 4 year contract in operation from 01 July 2020 until 30 June 2024.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place with a variety of colleagues in Active Leeds. This included staff as well as senior officers and the finance team. The Executive Member, responsible for Active Leeds has been consulted with on the 9th December 2019.
- 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 Commercial services

to discuss the procurement route, and they will be supporting the service throughout the procurement process.

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 the Best Council Plan

4.3.1 We want everyone in Leeds to;

- Enjoy happy, healthy, active lives
- Live with dignity and stay independent for as long as possible
- Enjoy greater access to green spaces, leisure and the arts

4.3.2 These outcomes are directly supported through our ambition as an organisation being efficient and enterprising as well as trying to ensure Leeds is the best city to be active in.

4.3.3 Active Leeds makes a significant contribution to reducing health inequalities and promoting wellbeing. The above outcomes, priorities and key indicators will all be supported by the service through improving the quality of its facilities / equipment in order to encourage existing customers to maintain participation and to encourage new customers to engage in physical activity

Climate Emergency

4.3.4 The new gym equipment will be as energy efficient as possible with a lot of the equipment self-powered and requiring no power to run.

4.3.5 The gym equipment supplier is working to be environmental friendly in its packaging and shipping materials as well as looking to use sustainable materials to build its gym equipment.

4.4 Resources, procurement and value for money

4.4.1 The contract value is estimated to be over £800,000 over the 4 years, however this is very dependent on business plans being completed and the service being able to meet the costs of the equipment 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 staff time and costs associated with a full procurement process.

4.4.3 We have found that the ESPO framework prices are competitive within the market 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 Due to the estimated value of the contract over 4 years this will be considered a key decision and the call-in process will therefore apply
- 4.5.2 The ESPO framework is fully compliant with OJEU and has been approved by the procurement legal team.

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.
- 4.6.3 There is a low risk of challenge from suppliers in calling off from a framework due to expire in January for a contract to start in July, however this is unlikely as all suppliers are also part of the ESPO framework
- 4.6.4 There is a risk of undertaking a direct call-off for maintenance of the equipment supplied where costings for maintenance are not provided in the framework documentation. The maintenance is included in this award report as it makes commercial sense to have same supplier for both supply and maintenance.

5. Conclusions

- 5.1 The procurement route of a direct call off from the ESPO framework offers the best value for the Council and meets all procurement rules, following advice from the projects and commercial services team. This will safeguard the future supply of gym equipment and ensure the service continues to grow income from health and fitness membership fees.

6. Recommendations

- a) The Director of City Development is requested to approve calling off from the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) for LCC Leisure.
- b) The Director of City Development is requested to approve a direct call off from the ESPO Framework 345 Fitness Equipment (Supply, Delivery, Installation & Maintenance) for LCC Leisure Centres and award to Technogym UK Ltd for the period 01/07/2020 to 30/06/2024.

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.

8. Appendices

- 8.1 Equality Impact Assessment (EIA) – Appendix “A”
- 8.2 Privacy Impact Assessment (PIA) – Appendix “B”