



Report to Head of Active Leeds

Report of Sport Programmes Manager

Date: 19th February 2020

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 type="checkbox"/> Yes <input checked="" 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 cardiovascular and strength equipment is due for renewal April 1st 2020. The majority of the 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, 150K over a 2 year period. The funds for this service is specified within the existing Active Leeds revenue budget for this purpose.

Recommendations

- a) The Head of Active Leeds is recommended to approve the awarding of this contract under contract procedure rule 9.5, unique spend. – intermediate value and award a contract to Amazon Leisure in the sum of £75,000 per annum, 150K over 2 years. The contract shall commence on the 1st April 2020 and expire on the 31st May 2022.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to spend £75,000 per annum, 150K over 2 years with Amazon Leisure from April 1st 2020 until May 31st 2022 funded from 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 £13.7 million.
- 2.2 Amazon Leisure have been repairing and servicing the existing gym equipment since April 2014, and in November 2015 were awarded the contract which runs until April 2020.
- 2.3 Prior to April 2014 Life Fitness supplied all of Active Leeds gym equipment, however this contract was retendered out to Technogym. Over the last 6 years we have replaced Life Fitness gym equipment with Technogym, who service their own equipment, but not the Life Fitness equipment that remains within sites that haven't been upgraded. Hence the need to have a company to service the existing Life Fitness Equipment. Amazon Leisure engineers are trained to service Life Fitness equipment as an approved partner of Life Fitness. It is hopeful if the service are able to follow the plan of funding further replacement of existing Life Fitness equipment across all sites that there won't be any need for this contract by April 2022.

- 2.4 Currently we have 5 gyms with Life Fitness equipment, totalling 250 pieces of equipment plus a small amount of studio equipment. This will reduce by the end of 2020 to 2 gyms and 100 pieces of equipment. This is due to the refurbishment of Pudsey, John Charles and Garforth gyms.
- 2.5 This contract runs for 'The supply and service of cardio vascular and strength equipment', where the supplier 'Technogym' are only able to service their own make of equipment.

3 Main issues

- 3.1 The current contract with Amazon Leisure expires March 31st 2020 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 have no contract in place 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 this is not possible under the ESPO framework 345.
- 3.5 There have been no issues reported with the current 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 of none Technogym 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 This contract is unique as Amazon Leisure are a partner of Life Fitness, undertaking their service and maintenance of their equipment for gyms they supply equipment to over many years. Amazon Leisure are situated close to Life Fitness stock warehouse and so therefore they have access to Life Fitness parts for repairs in a timely manner and parts are easily accessible due to location. Due to the partnership they get first priority to accessing parts, Amazon Leisure engineers are highly trained in Life Fitness equipment and therefore provide a good standard of quality of repair and service.
- 3.8 Extending the current contract is recommended to award a new contract until May 2022, meaning it runs in line with the Technogym gym equipment contract.
- 3.9 A mini tender exercise has been completed with Amazon to ensure the best prices are being achieved. The results of this can be seen in appendix 1. These prices show little increase since 2014 and with an improved discount on parts since 2014.

4 Advertising

- 4.1 N/A

5 Corporate considerations

5.1 Consultation and engagement

5.1.1 The 26 month contract period has been agreed by officers working in the Active Leeds service.

5.1.2 The Executive Member for Environment and Active Lifestyles has been consulted with on 26th March 2020.

5.2 Equality and diversity / cohesion and integration

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

5.3 Council policies and the Best Council Plan

5.3.1 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

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.

5.4 Resources, procurement and value for money

5.4.1 The total cost of repairs and maintenance with Amazon Leisure will be in the region of £75,000 per annum, 150K over 2 years based on previous years spend. This is already in the existing revenue budget for this purpose.

5.4.2 The extension of this contract until May 31st 2022 delays the need for a lengthy tender process. This will save on staff time and costs.

5.4.4 A mini tender exercise has been completed with Amazon to ensure the best prices are being achieved. The results of this can be seen in appendix 1. These prices show little increase since 2014 and with an improved discount on parts since 2014.

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

5.5.1 The legal implications of this request are detailed in Contract Procedure Rule 9.5.

5.6 Risk management

- 5.6.1 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.

6 Conclusions

- 6.1 The current contract has been delivered well by the current supplier and an option to offer a new contract to Amazon Leisure until 31st May 2022 is the best option available.

7 Recommendations

- 7.1 The Head of Active Leeds is recommended to approve the awarding of this contract under contract procedure rule 9.5, unique spend. – intermediate value and award a contract to Amazon Leisure in the sum of £75,000 per annum, 150K over 2 years. The contract shall commence on the 1st April 2020 and expire on the 31st May 2022.

8 Background documents¹

- 8.1 None.

9 Appendices

- 9.1

Appendix 1

Remedial work	
Call out	£110.00 (inc 0.5hrs labour)
Labour	£47.00 per hour
Parts	12% discount
Servicing Cost Per Unit	
Cardio	£15.00
Strength	£12.00
Spin	£11.00
Bench	£0.00
Accessories	£0.00

All prices ex VAT. Services are based on cost per unit; a minimum call out charge will apply for units below this amount.

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.