

Tenders Subcommittee

**Friday, 3 May 2002
Commencing at 9.00 am**

**Item 9: Purchase of Fitness Centre
Equipment**

**SUPPLEMENT TO AN ORDINARY MEETING OF THE TENDERS SUBCOMMITTEE
TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN,
WAITAKERE CITY, ON FRIDAY, 3 MAY 2002,
COMMENCING AT 9.00 AM.**

9 PURCHASE OF FITNESS CENTRE EQUIPMENT**PURPOSE OF THE REPORT**

The purpose of this report is to advise the Tenders Subcommittee that a tender sum greater than \$100,000 (net GST) has been awarded to other than the lowest priced tenderer by the Director: City Enterprises, and why the lowest price was not the preferred tenderer in accordance with Financial Contract Delegations, Clause Four. The contract to provide equipment in all categories for the upgraded Aquatic Centre Fitness Centre was awarded to FitnessWorks in the sum of \$147,686.65 (excl. GST) after negotiation.

BACKGROUND

A feature of the upgraded Aquatic Centre is a new 410 sq metre Fitness Centre on the first floor, which is scheduled to be completed and ready for equipping by the selected supplier in July 2002. It is expected to develop a membership base of 1,000 to 1,200 members.

SCOPE OF WORK

The equipment supplied is required to be of a commercial standard and quality.

The price includes provision for:

- supply of the specified equipment;
- delivery to the site;
- assembly and installation;
- commissioning of equipment in accordance with manufacturer's specifications;
- provision of at least 12 month guarantees on all equipment.

The process contained an option to price for purchase of the existing Fitness Centre equipment. Negotiation for price and equipment was provided for within the tender documents.

TENDERS RECEIVED

Tenders were publicly advertised, with nine sets of documents being uplifted. Eight tenders were received and are summarised in Table 1 below:

TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Concept Fitness (opt 1)	P.O. Box 38238, Howick, Auckland	\$ 135,000
Concept Fitness (opt 2)	P.O. Box 38238, Howick, Auckland	\$ 145,000
Don Oliver Barbell Ltd	66A Stoddard Rd, Mt Roskill	\$ 37,501
Fitness Imports (opt 1)	P.O. Box 65-297, Mairangi Bay	\$ 153,615
FitnessWorks (opt 1.1)	P.O. Box 331393, Takapuna, Auckland	\$ 192,539
FitnessWorks (opt 2.1)	P.O. Box 331393, Takapuna, Auckland	\$ 178,589
FitnessWorks (opt 3.1)	P.O. Box 331393, Takapuna, Auckland	\$ 174,385
FitnessWorks (opt 4.1)	P.O. Box 331393, Takapuna, Auckland	\$ 166,877
FitnessWorks (opt 5.1)	P.O. Box 331393, Takapuna, Auckland	\$ 139,296
Leisure World (opt 1)	P.O. Box 4032, Auckland	\$ 265,667



TENDERER	REG OFFICE	TENDER PRICE (excl. GST)
Leisure World (opt 2)	P.O. Box 4032, Auckland	\$ 223,937
Life Fitness (opt 1)	P.O. Box 20-288, Hamilton	\$ 262,423
Life Fitness (opt 2)	P.O. Box 20-288, Hamilton	\$ 274,391
Pro Gym (opt 1)	P.O. Box 18315, Glen Innes	\$ 212,884
Pro Gym (opt 2)	P.O. Box 18315, Glen Innes	\$ 211,914
Pro Gym (opt 3)	P.O. Box 18315, Glen Innes	\$ 167,616
Total Fitness Solutions (opt 1)	P.O. Box 12157, Hamilton	\$ 165,573
Total Fitness Solutions (opt 2)	P.O. Box 12157, Hamilton	\$ 172,522
Pre-tender contract estimate		\$ 150,000

Table 1 - Summary of Tender Prices

TENDER EVALUATION

In accordance with the conditions of tendering, tenders were evaluated in line with the Weighted Attribute Method contained in Transfund New Zealand's "Competitive Pricing Procedures Manual".

As the tender documents allowed for possible purchase from different suppliers, the evaluation considered individual component groups, not just total costs.

A summary of the evaluation results are shown in the tables below:

Tender Evaluation AEROBIC	Attributes	Quality Specs	Service Support	Price	Contract No. 77850
	Weights	25	25	50	Total Weights 100
Tenderer	Tender Sum				INDEX
Concept Fitness (opt 1)	\$69,660	35	65	75	Disqualified
Fitness Imports (opt 1)	\$65,695	35	65	79	Disqualified
FitnessWorks (opt 2.1)	\$9,445	35	65	100	Disqualified
FitnessWorks (opt 5.1)	\$65,245	35	65	80	Disqualified
Pro Gym (opt 3)	\$72,750	35	65	72	Disqualified
FitnessWorks (True + Cateye)	\$80,745	70	65	63	65
Pro Gym (Precor + Cateye)	\$85,308	70	65	58	63
FitnessWorks (True)	\$87,445	70	65	56	62
Pro Gym (Precor negotiated)	\$87,734	70	65	56	62
FitnessWorks (opt 4.1)	\$89,437	70	65	54	61
Life Fitness (opt 1)	\$92,992	70	65	50	59
Pro Gym (opt 2)	\$93,800	70	65	49	58
Leisure World (opt 1)	\$93,805	70	65	49	58
Leisure World (opt 2)	\$93,805	70	65	49	58
Pro Gym (opt 1)	\$94,750	70	65	48	58
Total Fitness Solutions (opt 2)	\$95,158	70	65	48	58
Concept Fitness (opt 2)	\$96,104	70	65	47	57
FitnessWorks (opt 3.1)	\$96,945	70	65	46	57
Total Fitness Solutions (opt 1)	\$98,891	70	65	44	56
Life Fitness (opt 2)	\$105,599	70	65	36	52
FitnessWorks (opt 1.1)	\$108,395	70	65	33	50
Med.n Tender Price	\$92,992				



Tender Evaluation PINLOADS	Attributes	Quality Specs	Service Support	Price	Contract No. 77850
	Total Weights				
	Weights	25	25	50	100
Tenderer	Tender Sum				INDEX
Total Fitness Solutions (opt 1)	\$23,698	35	65	100	Disqualified
Total Fitness Solutions (opt 2)	\$39,534	35	65	75	Disqualified
FitnessWorks (negotiated)	\$40,245	75	65	73	72
FitnessWorks (opt 3.1)	\$46,181	75	65	62	66
FitnessWorks (opt 4.1)	\$46,181	75	65	62	66
FitnessWorks (opt 5.1)	\$46,181	75	65	62	66
Concept Fitness (opt 1)	\$44,227	40	65	66	59
Concept Fitness (opt 2)	\$44,227	40	65	66	59
FitnessWorks (opt 1.1)	\$52,488	75	65	50	60
FitnessWorks (opt 2.1)	\$52,488	75	65	50	60
Fitness Imports (opt 1)	\$52,840	75	65	49	60
Pro Gym (opt 3)	\$53,898	45	65	47	51
Pro Gym (opt 1)	\$59,936	45	65	36	45
Pro Gym (opt 2)	\$59,936	45	65	36	45
Leisure World (opt 2)	\$81,314	70	65	-5	31
Life Fitness (opt 1)	\$87,743	70	65	-17	25
Life Fitness (opt 2)	\$87,743	70	65	-17	25
Leisure World (opt 1)	\$105,877	70	65	-52	8
Med.n Tender Price	\$52,488				

Tender Evaluation FREEWEIGHTS	Attributes	Quality Specs	Service Support	Price	Contract No. 77850
	Total Weights				
	Weights	25	25	50	100
Tenderer	Tender Sum				INDEX
Don Oliver Barbell Ltd	\$10,746	35	65	100	Disqualified
FitnessWorks (negotiated)	\$20,110	75	65	61	66
FitnessWorks (opt 5.1)	\$20,123	75	65	61	66
Total Fitness Solutions (opt 2)	\$20,402	75	65	60	65
Concept Fitness (opt 1)	\$18,579	40	65	68	60
Concept Fitness (opt 2)	\$18,579	40	65	68	60
Fitness Imports (opt 1)	\$18,705	40	65	68	60
FitnessWorks (opt 3.1)	\$22,255	75	65	52	61
FitnessWorks (opt 4.1)	\$22,255	75	65	52	61
FitnessWorks (opt 2.1)	\$22,716	75	65	50	60
FitnessWorks (opt 1.1)	\$23,166	75	65	48	59
Pro Gym (opt 1)	\$23,368	70	65	47	57
Pro Gym (opt 2)	\$23,368	70	65	47	57
Pro Gym (opt 3)	\$23,569	70	65	46	57
Total Fitness Solutions (opt 1)	\$26,575	70	65	33	50
Leisure World (opt 2)	\$28,482	70	65	25	46
Leisure World (opt 1)	\$38,809	70	65	-21	23
Life Fitness (opt 2)	\$42,936	70	65	-39	14
Life Fitness (opt 1)	\$46,649	70	65	-55	6
Med.n Tender Price	\$22,716				



Tender Evaluation OLYMPIC PLATES	Attributes	Quality Specs	Service Support	Price	Contract No. 77850
	Total Weights				
	Weights	25	25	50	100
Tenderer	Tender Sum				INDEX
Don Oliver Barbell Ltd	\$7,999	35	65	87	Disqualified
Pro Gym (opt 3)	\$9,130	70	65	78	73
Total Fitness Solutions (opt 1)	\$8,951	70	65	79	73
FitnessWorks (negotiated)	\$9,940	85	65	72	73
Total Fitness Solutions (opt 2)	\$9,437	70	65	76	72
Concept Fitness (opt 1)	\$10,712	70	65	66	67
Concept Fitness (opt 2)	\$10,712	70	65	66	67
Fitness Imports (opt 1)	\$10,896	70	65	64	66
FitnessWorks (opt 5.1)	\$11,035	65	65	63	64
FitnessWorks (opt 3.1)	\$12,683	70	65	50	59
FitnessWorks (opt 1.1)	\$13,778	80	65	41	57
FitnessWorks (opt 2.1)	\$13,978	80	65	40	56
FitnessWorks (opt 4.1)	\$13,978	70	65	40	54
Leisure World (opt 2)	\$14,289	70	65	37	52
Life Fitness (opt 1)	\$16,481	70	65	20	44
Life Fitness (opt 2)	\$16,481	70	65	20	44
Leisure World (opt 1)	\$17,085	70	65	15	41
Pro Gym (opt 1)	\$23,350	70	65	-34	17
Pro Gym (opt 2)	\$23,350	70	65	-34	17
Med.n Tender Price	\$12,683				

Tender Evaluation BARBELLS	Attributes	Quality Specs	Service Support	Price	Contract No. 77850
	Total Weights				
	Weights	25	25	50	100
Tenderer	Tender Sum				INDEX
FitnessWorks (negotiated)	\$1,725	85	65	88	82
Concept Fitness (opt 1)	\$2,094	60	65	75	69
Concept Fitness (opt 2)	\$2,094	60	65	75	69
FitnessWorks (opt 2.1)	\$2,415	60	65	64	63
FitnessWorks (opt 3.1)	\$2,415	60	65	64	63
FitnessWorks (opt 5.1)	\$2,415	60	65	64	63
FitnessWorks (opt 1.1)	\$2,416	60	65	64	63
Pro Gym (opt 3)	\$2,861	75	65	48	59
Don Oliver Barbell Ltd	\$2,389	45	65	64	60
Fitness Imports (opt 1)	\$2,794	60	65	50	56
Leisure World (opt 2)	\$2,794	60	65	50	56
Total Fitness Solutions (opt 1)	\$3,409	60	65	28	45
FitnessWorks (opt 4.1)	\$3,795	60	65	14	38
Total Fitness Solutions (opt 2)	\$4,037	60	65	6	34
Life Fitness (opt 1)	\$6,173	60	65	-71	-4
Life Fitness (opt 2)	\$6,173	60	65	-71	-4
Leisure World (opt 1)	\$6,838	60	65	-95	-16
Pro Gym (opt 1)	\$8,860	60	65	-167	-52
Pro Gym (opt 2)	\$8,860	60	65	-167	-52
Med.n Tender Price	\$2,794				

A low grading of 40 or less was awarded to equipment that was below the standard that is required. When evaluating, it was found that there is a vast range of equipment in the market, most of which is of a domestic standard and would not hold up to the rigors of a commercial situation running 12 hours a day, seven days a week.



The pre-tender estimate of \$150,000 was provided by one of the suppliers prior to tender. When tenders came in it was found that this was significantly lower than needed, with the supplier who provided the original estimate coming in approx \$18,000 above.

As was provided for within the Request for Tender Document, pre-letting negotiations were held with the top two tenderers. This enabled Council to receive more favourable prices on certain equipment and some extra features to be included.

Therefore, the tender (\$147,686.65 exc. GST) for the provision of all equipment was awarded to FitnessWorks on the following basis:

- The FitnessWorks True Aerobic equipment carries a three year parts warranty which is in excess of the Request for Tender requirement;
- FitnessWorks was the only tenderer to respond to the option to provide a price (\$5,387) for the purchase of current Fitness Centre equipment;
- FitnessWorks' negotiated offer also includes \$4,400 worth of free upgrade to rubber encapsulated Olympic weights. This option will help preserve the powder coating on the relevant equipment.

SUMMARY

The total tender from FitnessWorks for the provision and installation of the equipment in all categories after negotiation was \$147,686.65 (excl GST). The Director: City Enterprises has awarded this tender as it is within his delegated authority.

The results of the tender evaluation, as summarised in the evaluation matrix, show that the tender submitted by FitnessWorks achieved the highest index in aerobic, pin-loads, free-weights and barbells. This tender is the lowest priced conforming tender in these categories.

FitnessWorks achieved the highest equal index in Olympic Plates with two other tenderers, and was the highest priced of these three. The Olympic Plates portion of the contract was also awarded to FitnessWorks. The difference in price of \$1,000 was evaluated to be a worthwhile premium to pay, as the quality of the equipment is superior in that it is rubber encapsulated with good quality racks. Also, the benefits of dealing with a single overall supplier with regard to ongoing service, warranties and training was regarded as significant.

RECOMMENDATION

That the information be received.

Report prepared by: Doug Guthrie, Manager: Aquatic and Recreation Centre.



