

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 24, 2017

Item 5, Report No. 2, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on January 24, 2017.

5 REQUEST FOR APPROVAL OF SOLE SOURCE PURCHASES OF FITNESS EQUIPMENT - CITY WIDE

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Community Services and the Director of Recreation Services, dated January 17, 2017:

Recommendation

The Deputy City Manager, Community Services and the Director of Recreation Services, in consultation with the Director of Procurement Services and the Director of Financial Planning and Development Finance and Deputy City Treasurer, recommend:

1. That the sole source of fitness equipment be awarded to Advantage Fitness, National Fitness, VO2 Fitness Inc., and Legacy Fitness, in the amounts of \$200,322, \$42,670, \$32,872, and \$25,563, respectively, plus applicable taxes and administration recovery, being the exclusive Ontario distributors for the brands of equipment that are specified; and
2. That the Mayor and City Clerk be authorized to sign the necessary documents.

Contribution to Sustainability

This report is consistent with the priorities previously set by Council in the Green Directions, Vaughan, Community Sustainability Environmental Master Plan, Objective 4.1:

- 4.1.1 Develop an implementation plan for the initiatives described in the City's Active Together Master Plan through a phased and budgeted program.

Economic Impact

Sufficient funds for these purchases have been approved through capital project – RE-9503-13 and the 2017 operating budget as part of the annual Fitness Centre Equipment Replacement initiative.

Communications Plan

The Procurement Services Department will advise the equipment providers of Council's decision.

Purpose

The purpose of this report is to request Council's approval to award the sole source provision of fitness equipment to Advantage Fitness, National Fitness, VO2 Fitness Inc., and Legacy Fitness, the exclusive Ontario distributors for the brands of fitness equipment that are specified.

Background – Analysis and Options

With over 5,000 fitness memberships, Recreation Services operates six fitness centres at City of Vaughan community centres. On an annual basis, purchases are required to replace and enhance the inventory of fitness equipment at the City's fitness centres. Offering updated fitness equipment consistently across all fitness centres is critical in the department's ability to retain members, and is one of leading comments received from existing users via feedback surveys.

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The equipment to be purchased is the same selection that is currently offered, including treadmills, cross-trainers, stair-climbers, exercise bicycles, muscle conditioning machines, free weights and spinning bikes.

The City's fitness centres primarily possess a selection of LifeFitness, Precor, Stairmaster, Hammer, Hampton and Schwinn fitness equipment. The selection of these particular brands provided by the aforementioned exclusive distributors is important for a number of reasons:

- The selection of equipment is a reflection of the type and quality of fitness equipment that currently exists within our other fitness centres;
- Consistency and familiarity of look, adjustments and function benefits both the user and staff who use multiple fitness centre locations;
- The equipment represents a level of quality that serves the user well and minimizes maintenance issues;
- Consistency enhances the preventative maintenance because technicians are certified to perform work on these brands of equipment;
- The aforementioned vendors are long-standing in the fitness equipment field and has supplied the existing inventory of fitness equipment at City of Vaughan fitness centres; and, the aforementioned vendors have performed very well in the past, and their price, workmanship and services are satisfactory.

The purchases will be funded from the following areas:

Capital Financial Summary - Fitness Equipment Replacement - Advantage Fitness		
Budget for RE-9503-13 - Fitness Equipment Replacement	\$231,750	
Less: Expenses/Commitment to Date	\$0	
Current Funds Available (CAD)		\$231,750
Capital Equipment Purchases	\$221,108	
Non-refundable portion of HST (1.76%)	\$3,892	
Administration Recovery (3%)	\$6,750	
Total Costs per Quote	\$231,749	
Total Costs per Quote (rounded)		\$231,750
Balance Remaining		\$0

Operating Financial Summary - Fitness Equipment Replacement		
Budget - Recreation - Small Tool & Equipment - 7335	\$198,838	
Less: Expenses/Commitment to Date	\$0	
Current Funds Available (CAD)		\$198,838
Operating Equipment Purchases	\$80,319	
Non-refundable portion of HST (1.76%)	\$1,414	
Total Costs per Quote	\$81,733	
Total Costs per Quote (rounded) (CAD)		\$81,730
Balance Remaining (CAD)		\$117,108

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The remaining amount from the operating account will be used for small equipment purchases in 2017.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This initiative is consistent with the Service Excellence Strategic Initiative: Operational Performance.

- STRATEGIC GOAL: Service Delivery Options
 - Effective Service Delivery: Review service delivery options and shared services to match resources to the desired level of service.

Regional Implications

None.

Conclusion

In order to ensure the consistency of fitness equipment standards at the City's fitness centres, it is recommended that the purchases be awarded to Advantage Fitness, National Fitness, VO2 Fitness Inc., and Legacy Fitness.

Attachments

1. Letters of Exclusivity

Report prepared by:

Sunny Bains, Director, Recreation Services, ext. 8336
Paola D'Amato, Acting Manager, Business Services, ext. 8806

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

REQUEST FOR APPROVAL OF SOLE SOURCE PURCHASES OF FITNESS EQUIPMENT - CITY WIDE

Recommendation

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Report prepared by:

Sunny Bains, Director, Recreation Services, ext. 8336
Paola D'Amato, Acting Manager, Business Services, ext. 8806

Respectfully submitted,

Mary Reali
Deputy City Manager, Community Services

Sunny Bains
Director, Recreation Services



February 2, 2016

Mr. Brian Furlong
ADVANTAGE FITNESS SALES INC.
500 Denison Street
Markham, ON L3R 1B9

Re: Advantage Fitness Sales Inc. Platinum Dealer Exclusivity

Dear Mr. Furlong:

I am pleased to continue to recognize Advantage Fitness Sales as the exclusive authorized dealer of Life Fitness and Hammer Strength commercial products in the Province of Ontario.

Your appointment as an exclusive authorized dealer reflects the fact that your organization has distinguished itself by demonstrating a level of professional sales and service required in distributing Life Fitness commercial products. ***In support of your organization, please note that any Life Fitness or Hammer Strength products sold in the above described territory from an unauthorized source may jeopardize their warranties.*** This is due to the fact that we cannot assure product authenticity and integrity unless the product(s) has been purchased directly from a Life Fitness authorized dealer such as yourself. Life Fitness will protect this warranty agreement with Advantage Fitness Sales by closely tracking serial numbers of all equipment sold in Ontario.

Potential buyers of Life Fitness products who wish to verify your current standing as an exclusive authorized dealer may contact Life Fitness at 1-800-735-3867 and ask for me directly.

Please note that this letter of confirmation covers all quotations, including the above referenced version, and any additional quotes submitted hereafter.

Sincerely,

A handwritten signature in black ink, appearing to read "T. McCarthy", written over a horizontal line.

Tim McCarthy Director, National Dealer Distribution





September 8, 2016

Art McDonald
Recreation Services Supervisor
City of Vaughan
8600 Major Mackenzie Drive
Maple, Ontario
L6A 1T1

Dear Art,

Please accept this as confirmation that Legacy Fitness Products is an authorized dealer representing Cybex International. Legacy Fitness Products is the exclusive Cybex dealer for City of Vaughan.

The purchase of Cybex equipment from any other distributor may result in the void of any applicable warranty. Please feel free to contact me if you have any questions or concerns.

Sincerely,

Ted McDonnell
Territory Manager Eastern Canada
Cybex International
10 Trotter Drive
Medway, MA 02053
tmcdonnell@cybexintl.com



Worldwide Headquarters 10 Trotter Drive + Medway, MA 02053, USA + t 508.533.4300 + f 508.533.5500
151 24th Avenue NW + Owatonna, MN 55060, USA + t 507.455.0217 + f 507.455.3446



September 8, 2016

To The City of Vaughan,

Thank you for your interest in Octane Fitness products. This letter is confirmation that National Fitness Products (NFP) based in Inglewood ON is the sole authorized commercial dealer for South Western Ontario for Octane Fitness.

Thanks again for your interest in Octane Fitness products and I am confident that NFP will be a good partner in supplying and supporting your fitness facilities.

Please do not hesitate to contact me if you have any other questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "D- RL".

Dan Rehmann

Regional Sales Manager – Western US & Canada

danrehmann@octanefitness.com

spartan fitness

The Right Gear. The Right Fit.

September 13, 2016

City of Vaughan
2141 Major Mackenzie Drive
Vaughan, ON. L6A 1T1

To Art McDonald
RE: Precor Distribution

Please find this letter confirming Spartan Fitness in partner with VO2 Fitness is the exclusive Sales Distributor of Precor Fitness Products in Ontario and the Municipal Market. Purchasing products from an authorized dealer gives you full support, warranty coverage, parts discount & the best service thru our network of service partners & programs.

Let us know how we can serve you better. Feel free to contact Michael Lee @ 416 219-6463 for more information.

Sincerely;



Rob Warwick

A Division of Spartan Athletic Products Ltd.

Head Office:

10 Morris Dr. Unit 13, Dartmouth, NS, B3B 1K8

(Toll Free) 1-877-778-8822, (Fax) 902-482-0329

www.spartanfitness.ca