

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 11, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 11, 2018.

11 REQUEST FOR APPROVAL OF SINGLE SOURCE PURCHASES OF FITNESS EQUIPMENT

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Community Services, dated April 3, 2018:

Purpose

To seek Council approval to award the single source contract of fitness equipment for a period of three (3) years with two (2) additional one (1) year optional terms to the vendors (Ontario's exclusive distributors) for the amounts as specified in Table 1.

Report Highlights

- On an annual basis, purchases are required to replace and enhance the fitness equipment at the Community Centres and Fire Stations.
- It is recommended that the City single source fitness equipment to the vendors specified in Table 1 due to the exclusivity of dealership requirements; equipment standardization, interchangeability and compatibility; level of quality, maintenance and service agreements; and training and vendor performance.
- Sufficient funds are available in the approved 2018 operating and capital budget. Future year spending will be contingent on the approval of operating and capital budgets.

Recommendations

1. That single source agreements for the purchase of fitness equipment be awarded for a period of three (3) years with two (2) additional one (1) year terms to the vendors as specified in Table 1.
2. That the Director of Procurement Services be authorized to finalize and sign any necessary agreements.

Background

Fitness Overview:

With approximately 5,000 plus fitness members, Recreation Services operates six fitness centres at City of Vaughan community centres and an additional one at Vaughan City

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 11, FAA Report No. 4 – Page 2

Hall. On an annual basis, purchases are required to replace and enhance the inventory of fitness equipment. Ensuring that fitness equipment is updated consistently across all fitness centres is critical in the department's ability to retain members and remain competitive in the marketplace, and is one of the leading comments received from existing users via feedback surveys.

The City also has fitness equipment throughout its 9 Fire Stations, where over 300 Firefighters can use it to maintain the level of physical fitness that is essential for the safe and effective completion of their duties.

The equipment to be purchased is within 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 include a selection of LifeFitness, Precor, Stairmaster, Hammer, Hampton and Schwinn fitness equipment.

Previous Reports/Authority

COW - 2016.654 - Request for Approval of Sole Source Purchases of Fitness Equipment - City Wide

COW – 2012 – Item 22 Report No. 48 - Request for Approval of Sole Source Purchase of Fitness for Vellore Village Fitness Centre – Ward 3

Analysis and Options

Recreation Services has worked with Procurement Services to determine the best method for procuring fitness equipment considering the standardization, compatibility and exclusivity of dealership requirements. It was determined that single source procurement is the recommended method where Recreation and Procurement Services will negotiate and finalize the agreements with these Vendors (exclusive Ontario dealers) to obtain the best value for the City. Many municipalities, including the City of Markham and the City of Mississauga, have also used similar single source approaches to procure the fitness equipment.

Section 4.2.4 of the Corporate Procurement Policy states a single source agreement may be entered if any of the following conditions are met:

- There is a need for standardization or compatibility with goods, services (c), or
- Where necessary to maintain an existing warranty from a previous vendor (d), or
- Where only one authorized dealer/seller is offering the goods or services (e), or
- The ability of a specific vendor to deliver within the requested time frames (f).

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 11, FAA Report No. 4 – Page 3

Single Source Justification:

- **Standardization:** The selection of equipment reflects the type and quality of fitness equipment that currently exists within fitness centres, which is over 100 different types of equipment. This allows the City to aggregate the requirements for maintenance, spare parts and consumables, thus reducing total cost of ownership.
- **Interchangeability/Compatibility:** Consistency and familiarity of look, adjustments and functional flexibility benefits both the user and staff who use multiple fitness centre locations.
- **Exclusivity of Dealership Requirements:** The vendors specified in Table 1 are the exclusive authorized dealers in Ontario of the preferred brands of equipment that currently exists within the City's fitness centres.
- **Choice of Equipment:** Over the years, the department has selected and standardized these types/makes of equipment based on a level of quality and performance standards that serves the user well, minimizes maintenance issues and reduces equipment down time which affect user experience.
- **Value for Money:** Having a long-term agreement allows the City to negotiate discounted rates on the equipment maintenance agreements.
- **Value Added Services:** City gets preferred customer services for warranty service calls and timely access to the original manufacturer parts and preferred rates.
- **Training:** Preventative maintenance technicians are certified to perform work on these brands of equipment which reduces the need of additional training, thus reduces the training cost.
- **Vendor Performance:** These vendors have successfully performed during their previous contracts and have met their obligations on quality, delivery, price, insurance, liability and servicing.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 11, FAA Report No. 4 – Page 4

Table 1: Recommended Single Source Arrangements

Item	Exclusive Vendor	Brands of Equipment	Recreation Services Spend (CDN	Vaughan Fire & Rescue Services Spend (CDN \$)	Total Spend
1	Advantage Fitness	<ul style="list-style-type: none"> Life Fitness Hammer Strength Hampton Fitness 	\$ 166,000/year	\$ 25,000/year	\$191,000/year
2	National Fitness Products	<ul style="list-style-type: none"> Woodway Octane Fitness Jacobs Ladder Star Trac StairMaster Nautilus Schwinn 	\$ 98,000/year		\$ 98,000/year
3	Legacy Fitness Products	<ul style="list-style-type: none"> Cybex International 	\$ 60,000/year		\$ 60,000/year
4	Spartan Fitness in partner with V02 Fitness	<ul style="list-style-type: none"> Precor 	\$ 42,000/year		\$ 42,000/year
		TOTAL	\$ 366,000/year	\$25,000/year	\$391,000/year

* Estimated amounts are based on historical spend data and pro-rated based on approved 2018 budget amounts. Figures do not include applicable taxes.

Recreation Services

Over the five-year term (including option years), it is anticipated that the total spend value is \$1,830,000, or \$366,000 per annum, for Recreation Services. Note that the total value includes the unspent capital funding from 2017.

Vaughan Fire & Rescue Services

Over the five-year term (including option years), it is anticipated that the total spend value is \$125,000, or \$25,000 per annum, for Vaughan Fire & Rescue Services.

Financial Impact

Sufficient funds are available in the approved 2018 Recreation Services and Vaughan Fire & Rescue Services operating and capital budgets. Future year spending will be contingent on the approval of operating and capital budgets.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 11, FAA Report No. 4 – Page 5

Broader Regional Impacts/Considerations

Not Applicable

Conclusion

To ensure the consistency of fitness equipment standards at the City's fitness centres, it is recommended that the City award the single source provision of fitness equipment to the Vendors (Ontario's exclusive distributors) specified in Table 1.

Attachments

1. Letters of Exclusivity

Prepared by

Sunny Bains
Director of Recreation Services
Ext. 8336

Paola D'Amato
Recreation Manager, Business & Creative Services
Ext. 8806

Larry Bentley
Fire Chief
Ext. 6301

Andrew Zvanitajs
Deputy Fire Chief
Ext. 6307

(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.)

Item:



Finance, Administration and Audit Committee Report

DATE: Tuesday, April 03, 2018

WARD(S): ALL

**TITLE: REQUEST FOR APPROVAL OF SINGLE SOURCE
PURCHASES OF FITNESS EQUIPMENT**

FROM:

Mary Reali, Deputy City Manager, Community Services

ACTION: DECISION

Purpose

To seek Council approval to award the single source contract of fitness equipment for a period of three (3) years with two (2) additional one (1) year optional terms to the vendors (Ontario's exclusive distributors) for the amounts as specified in Table 1.

Report Highlights

- On an annual basis, purchases are required to replace and enhance the fitness equipment at the Community Centres and Fire Stations.
- It is recommended that the City single source fitness equipment to the vendors specified in Table 1 due to the exclusivity of dealership requirements; equipment standardization, interchangeability and compatibility; level of quality, maintenance and service agreements; and training and vendor performance.
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Recommendations

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Prepared by

Sunny Bains
Director of Recreation Services
Ext. 8336

Paola D'Amato
Recreation Manager, Business & Creative Services
Ext. 8806

Larry Bentley
Fire Chief
Ext. 6301

Andrew Zvanitajs
Deputy Fire Chief
Ext. 6307



February 14, 2018

Dear Advantage Fitness Sales Customer:

The purpose of this letter is to advise you that Advantage Fitness Sales is currently the only authorized commercial fitness dealer and sole source for Life Fitness cardiovascular, Life Fitness strength, and Hammer Strength equipment, products, and supplies (collectively, the “LF Products”) in the vertical market(s) in the Province of Ontario (the “Territory”). These markets include, but are not limited to corporate, multi-housing, education, police/fire, recreation centers, country clubs, municipalities and hospitality (hotel/motel). LF Products purchased from any other source may have an invalid warranty, as Life Fitness cannot confirm or guarantee the integrity of such LF Products. Advantage Fitness Sales will also provide Life Fitness’s standard service, including maintenance and warranty coverage, for LF Products serviced within the Territory.

Life Fitness has enjoyed a longstanding relationship with Advantage Fitness Sales, and believes that you will be pleased with the sales, service and support provided by their team.

If you have any questions, please feel free to contact me at (847) 288-3963. Thank you for your interest in Life Fitness and our products,

Sincerely,

Andrew Mahadevan
Managing Director, America’s Distribution Business



January 1st. 2018

Mr. Brian Furlong
Advantage Fitness Sales
500 Denison Street
Markham, ON L3R 1B9

Dear Mr. Furlong:

Hampton is pleased to recognize *Advantage Fitness Sales* as the **exclusive distributor** for Hampton Fitness commercial products in the Province of Ontario, Canada.

In support of your efforts, please note that Hampton Fitness products sold into regions listed above by other (non-authorized) sources will be void of any and all warranties, as we cannot assure product authenticity and integrity unless the product has been purchased directly from Hampton Fitness and /or our authorized distributors.

Thank you for your years of effort and continued support.

Sincerely,

Robert Hornbuckle
Vice President
Hampton Fitness Products
1913 Portola Rd.
Ventura Ca. 93003
877-339-9733

WWW.HAMPTONFIT.COM

1913 Portola Road • Ventura, CA 93003 • USA
Tel: (805) 339-9733 • Toll-free: (877) 339-9733 • Fax: (805) 339-0401

\N C C D \N A V ®

*For The **Long Run** ®*

February 15, 2018

To Whom It May Concern:

This letter attests that National Fitness Products of Canada is the sole authorized vendor of Woodway commercial fitness products in all of Canada, and are in good standing with our firm.

Please feel free to contact me at your convenience should you have any further questions regarding our relationship.

Best regards,

 —

Deke Kindt

Midwest and Canadian Regional Manager

WOODWAY

Phone 800.WOODWAY x153

Mobile 414.350.7997

Fax 262.522.6235

www.woodway.com



February 9, 2018

To 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 authorized commercial dealer for South Western Ontario/ GTA (City of Vaughan) 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,

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Ryan Erdman

Regional Sales Manager

Octane Fitness

D: 763-230-3024

C: 612 -290-5024



Ultimate Fitness Experience

6292 Walmore Road
Niagara Falls, NY 14304
January 23, 2018

National Fitness Products of Canada, Inc.
104 Maple Ave.
Inglewood, ON L7C 1J5
Attn: Nelson Chan

Dear Nelson,

Please use this letter as evidence to whom it may concern that National Fitness Products of Canada, Inc. in Inglewood, ON is and has been, a dealer/distributor of Jacobs Ladder and all of Jacobs Ladder LLC products (including Jacobs Ladder, Jacobs Ladder 2, Stairway GTL and the Stairway).

National Fitness Products is a dealer in good standing and is authorized to sell our products in Canada. If there are any questions, please call our office at 716.692.1455.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert A. Palka Jr.", written in a cursive style.

Robert A. Palka Jr.
President – Jacobs Ladder LLC

1 866 697 4100 toll free
1 716 692 1455
1 716 692 1780 fax

info@jacobsladderexercise.com



14410 Myford Road Irvine CA 92606 800-228-6635

February 15, 2018
Kevin Farley
Core health and Fitness
Director of Vertical Market and Dealer Sales
908-242-2240
kfarley@startrac.com

To whom it may concern,

This letter confirms that National Fitness Products is the exclusive authorized dealer of all Core Health and Fitness (Star Trac, Schwinn, StairMaster, Nautilus) manufactured products in Ontario, CA. They have been a valued partner for more than 15 years. National Fitness Products is the only authorized company with the right to distribute Core Health and Fitness equipment on our behalf in Ontario, CA. If there are any questions regarding their distributorship and status please feel free to contact me directly.

Kind Regards,

Kevin Farley



February 19, 2018

To whom it may concern,

This letter is to inform you that Legacy Fitness Products is the authorized distributor/reseller/service provider of Cybex equipment in the municipal market for the City of Vaughn. Cybex is a division of Life Fitness.

This agreement is effective throughout 2018. If I can provide any additional information, please feel free to contact me.

Respectfully,

Brad McLam

Commercial Sales Manager-Dealer Business
(C) 631-379-7493

9525 BRYN MAWR AVENUE
ROSEMONT, IL 60018

LIFEFITNESS.COM | 847.288.3300





February 12, 2018

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

To Derek Ambrose

RE: Precor Distribution

Please find this letter confirming Spartan Fitness in partner with V02 Fitness is the Exclusive Sales Distributor of Precor Fitness Products in Ontario for the Municipal, Corporate, CoUege & University markets. Purchasing products from an authorized dealer gives you full support, Manufacturer's 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;

A handwritten signature in blue ink, appearing to read "Carol Smith", is written over a horizontal line.

Carol Smith
Controller
Spartan Fitness Equipment

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