

1.1 MONASH AQUATIC AND RECREATION CENTRE - SUPPLY OF CARDIO EXERCISE EQUIPMENT

(BM: CF 2008123)

Responsible Director: Andi Diamond

RECOMMENDATION

That Council awards Contract No: 2008123 'The provision of Cardio Exercise Equipment for the Monash Aquatic and Recreation Centre', on a 48-month operational lease, to Life Fitness Pty Ltd for the amount of \$2581.29 per month (including GST), at a total cost of \$123,901.92.

INTRODUCTION

The purpose of this report is to advise Council on the results of the tender process for the Supply of Cardio Equipment for the Monash Aquatic and Recreation Centre, Contract No: 2008123.

BACKGROUND

A tender process was initiated to attract contractors capable of providing quality cardio equipment and appropriate levels of service to meet both guest and Council's expectations. The objective of the contract is to ensure high standards and cost effective supply and maintenance for the Centre's cardio fitness equipment.

The provision of new and up-to-date equipment will ensure that the Centre remains competitive with other local fitness facilities in relation to its ability to attract and retain Health Club members. The current cardio equipment is owned by Council (as a consequence of the former RANS Management equipment arrangements) and given its age, has no residual market value.

It is current practice for health club businesses to lease cardio equipment on monthly operational terms.

The Tender Evaluation Panel Report has been circulated separately to Councillors.

DISCUSSION

The tender called for a 48-month operational lease fee for the provision of cardio exercise equipment.

The operational lease prices received for the cardio equipment ranged from \$1,705 to \$3,695 per month inclusive of the Goods and Services Tax.

The range of pricing generally reflected the design and quality of the proposed supply of equipment.

The criteria used to evaluate the tenders were:

- i. price;
- ii. occupational health and safety management systems;
- iii. design features of the equipment;
- iv. service and maintenance; and
- v. warranties.

The evaluation process was conducted in accordance with Council's Tendering Policy with weightings allocated to price and non-price criteria on a 60:40 basis.

Following the evaluation process, the Tender Evaluation Panel ranked Life Fitness Pty Ltd first for the provision of the cardio exercise equipment under this contract.

This assessment was based on the aggregated score for price, the design features, service standards and functional attributes and quality of the equipment offered.

FINANCIAL CONSIDERATIONS

The monthly operational lease fee of \$2346.62 (ex GST) is within budget allowances for the provision of this equipment for the Centre.

CONCLUSION

The Tender Evaluation Panel recommends that Contract Nos: 2008123, 'The Provision of Cardio Exercise Equipment', on a 48-month operational lease arrangement, be awarded to Life Fitness Pty Ltd for the amount of \$2581.29 per month (inclusive of GST).