

**11.1 TENDER CB133-2021 SUPPLY AND INSTALL GYM EQUIPMENT AT BEATTY PARK LEISURE CENTRE**

- Attachments:**
1. **Equipment Lists**
  2. **Portion 1 Cardio Evaluation Worksheet - Confidential**
  3. **Portion 2 Strength Evaluation Worksheet - Confidential**
  4. **Beatty Park Gym Equipment Renewal Business Case**

**RECOMMENDATION:****That Council**

1. **NOTES the outcome of the evaluation process for CB133/2021 Supply and Install Gym Equipment at Beatty Park Leisure Centre; and**
2. **ACCEPTS the following tender submissions for Tender CB133/2021 Supply and Install Gym Equipment at Beatty Park Leisure Centre:**
  - a. **the tender submitted by Technogym Australia Pty Ltd for Separable Portion 1 - Cardio Equipment**
  - b. **the tender submitted by Goldpin Corporation Pty Ltd trading as Gymcare for Separable Portion 2 - Strength Equipment**

**PURPOSE OF REPORT:**

For Council to accept the tender submissions of Technogym Australia Pty Ltd and Goldpin Corporation Pty Ltd trading as Gymcare for the Supply and Install of Gym Equipment at Beatty Park Leisure Centre.

**BACKGROUND:**

Beatty Park Leisure is a Perth's premier leisure and aquatic facilities which attracts up to 1 million visits per year.

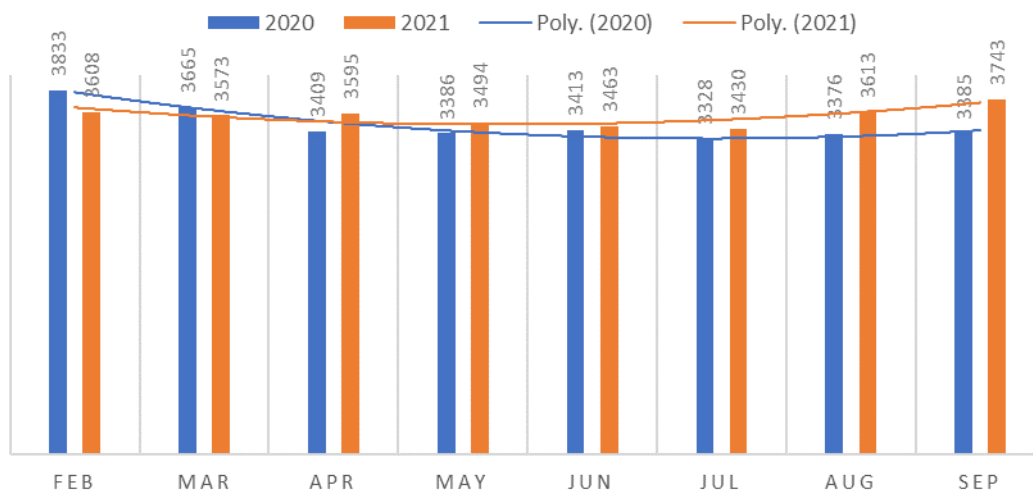
Since the reopening of the newly refurbished indoor pool facility in August 2021, membership has increased to over 3,788 members (at 12 October 2021) a 10% increase on the previous year (refer **Figure 1**).

Strength equipment was last installed in the Beatty Park Gym in 2013 and the cardio equipment was last installed in 2017. They are deemed to be close to the end of their useful life.

The **benefits** of replacing the ageing equipment include:

- Maintains the Beatty Park brand for high quality product delivery in a competitive market.
- Member acquisition and retention.
- Reduce maintenance costs (equipment repairs fully covered under warranty).
- Minimal downtime (SLA's on repair/replacement under contract).
- Opportunity to consider new equipment to suit specific customer segments, such as seniors, rehabilitation, and persons with disability.
- Promotional opportunity with new equipment.

## BEATTY PARK MEMBERSHIPS (2020 V 2021)



**Figure 1: Beatty Park Memberships (2020 v 2021)**

**Customer segment sensitivity analysis** - there is a group of Beatty Park members that are ‘gym regulars’ who create a core membership group and deliver regular and continuous membership revenue. This group are typically influencers within fitness circles, and they will promote the Beatty Park brand. They are sensitive to the quality and type of equipment on offer, and will remain loyal to the brand if equipment quality is retained. Creatures of habit, this customer segment will maintain an exercise routine at our venue unless it is disrupted by equipment failure. Attraction and retention of this customer segments is critical for maintaining Beatty Park membership revenue.

The **business case** for the replacement cardio and strength equipment was supported by Council with the adoption of the Annual Budget for 2021/2022 on 22<sup>nd</sup> June 2021 and is shown at **Attachment 4**.

The **budget** of \$868,366 ex GST was approved by Council for purchase of the equipment outright, through a WA Treasury Corporation (WATC) loan. Modelling indicated that this was the most beneficial financial option, and the actual budget provision for 2021/2022 was more favourable than the original business case. The loan is funded by members through an increase to member fees for 2021/2022.

### DETAILS:

#### Tender Submissions

Submissions for both portions (Cardio and Strength) were received from each of the following:

- Fleet Commercial Gyms Pty Ltd
- Goldpin Corporation Pty Ltd trading as Gymcare
- Orbit Health and Fitness Pty Ltd
- Technogym Australia Pty Ltd
- The Trustee for NovoFit Unit Trust

The schedule of items for both portions listed in the tender is provided in **Attachment 1** (Equipment Lists). A summary of the tender submissions is provided in **Confidential Attachment 2** (Cardio) and **Confidential Attachment 3** (Strength).

#### Evaluation Panel

The evaluation panel comprised of four members, being:

- one with tender and contract preparation skills
- two with the appropriate operational expertise and involvement in supervising the contract
- probity advice provided by a Procurement and Contracts Officer

The panel carried out the assessment of the submissions in accordance with the City's evaluation process in a fair and equitable manner.

### Compliance Assessment

All offers received were assessed as fully compliant and progressed to the qualitative assessment.

### Evaluation Method and Weighting

The qualitative weighting method of tender evaluation was selected to evaluate the offers for this requirement.

The qualitative criteria and weighting used in evaluating the submissions received for both portions were as follows:

Qualitative Criteria		Weighting
1	Technical and Professional Capability	40%
2	Service Delivery	35%
3	Warranty	15%
4	Sustainability	10%

### Qualitative Assessment

#### Portion 1 – Cardio Equipment

<i>Recommended Tenderer</i>	<i>Weighted Percentage Score</i>	<i>Qualitative Ranking</i>	<i>Comment</i>
Technogym Australia Pty Ltd	86%	1	Technogym Australia Pty Ltd is well established with significant industry experience and capacity to provide the services. Their equipment quality was outstanding, as was their app integration and training programs. They are ISO14001:2015 Environment Management System certified.

Refer to **Confidential Attachment 2** for further detail.

#### Portion 2 – Strength Equipment

<i>Recommended Tenderer</i>	<i>Weighted Percentage Score</i>	<i>Qualitative Ranking</i>	<i>Comment</i>
Goldpin Corporation Pty Ltd trading as Gymcare	88%	1	Goldpin Corporation Pty Ltd trading as Gymcare is a WA based organisation that is well established with significant industry experience and capacity to provide the services. Their equipment quality was outstanding, and their sustainability practices are excellent.

Refer to **Confidential Attachment 3** for further detail.

### Site Visits

Site visits took place with all Respondents between 4<sup>th</sup> and 6<sup>th</sup> October 2021. The evaluation panel was able to verify claims made by the Respondents in their submission and see the quality and functionality of the equipment and integrated technology quoted.

Reference checks were then conducted.

## Price Assessment

The panel carried out a comparison of the submitted pricing offered for the premium range of highly durable commercial equipment, as is currently provided by the City and its competitors, to meet the demands of high intensity usage and integrated technology requirements.

The evaluation panel made a value judgement as to the cost affordability, qualitative ranking and risk of each Tender, in order to determine which Tenders presented the best value for money to the City for each portion.

## Evaluation Summary

### Separable Portion 1 - Cardio Equipment

The panel concluded that the tender from Technogym Australia Pty Ltd provides best value for money to the City and is therefore recommended for the provision of Cardio Equipment for the following reasons:

- Compliance with the submission requirements;
- Ranked first in the Qualitative Assessment; and
- Reference checks supported the Evaluation Panel's recommendation.

See **Confidential Attachment 2** for further detail.

It is therefore recommended that Council ACCEPTS the tender submitted by Technogym Australia Pty Ltd for the provision of Cardio Equipment as specified in Tender CB133/2021 Supply and Install Gym Equipment at Beatty Park Leisure Centre.

### Separable Portion 2 - Strength Equipment

The panel concluded that the tender from Goldpin Corporation Pty Ltd trading as Gymcare provides best value for money to the City and is therefore recommended for the provision of Strength Equipment for the following reasons:

- Compliance with the submission requirements.
- Ranked first in the Qualitative Assessment; and
- Reference checks supported the Evaluation Panel's recommendation.

See **Confidential Attachment 3** for further detail.

It is therefore recommended that Council ACCEPTS the tender submitted by Goldpin Corporation Pty Ltd trading as Gymcare for the provision of Strength Equipment as specified in Tender CB133/2021 Supply and Install Gym Equipment at Beatty Park Leisure Centre.

## CONSULTATION/ADVERTISING:

The Request for Tender CB133/2021 was advertised in the West Australian on 18 August 2021 and on both the City's website and Tenderlink portal between 18 August and 8 September 2021.

## LEGAL/POLICY:

- Section 3.57 of the *Local Government Act 1995*;
- Part 4 of the *Local Government (Functions and General) Regulations 1996*; and
- City of Vincent Purchasing Policy

## RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to accept the preferred tenders.

## STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Connected Community

*Our community facilities and spaces are well known and well used.*

Thriving Places

*Our physical assets are efficiently and effectively managed and maintained.*

Innovative and Accountable

*Our resources and assets are planned and managed in an efficient and sustainable manner.*

**SUSTAINABILITY IMPLICATIONS:**

This does not contribute to any specific sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*, however the sustainability and environmental management practices of Respondents was a weighted qualitative criteria of this request, and both preferred Respondents provided convincing evidence of excellent sustainability practices.

**PUBLIC HEALTH IMPLICATIONS:**

This is in keeping with the following priority health outcomes of the City's *Public Health Plan 2020-2025*:

*Increased physical activity*

**FINANCIAL/BUDGET IMPLICATIONS:****Equipment is funded through borrowings**

Costs associated with the Supply and Install of Gym Equipment at Beatty Park Leisure Centre will be funded from a WATC loan, with repayments charged against account code 01.00202401.6057.0900.

**User Pays**

The WATC loan repayments are member funded, through the increase to member fees and charges for 2021/2022.

**Tender delivers savings to capital budget**

The total cost of equipment for both portions is \$827,879 and is well within the allocated budgeted of \$868,366, resulting in a saving to the capital budget of \$40,487. This is an improved outcome on the initial business case estimate of \$900,442 (**Attachment 4**). All amounts quoted in this report are exclusive of GST.

Date	Description	Amount (\$) excl GST
March 2021	Original Business Case	\$900,442
June 2021	Approved Budget 2021/2022	\$868,366
October 2021	Tender Recommendation	\$827,879

**Impact on Beatty Park revenue during installation**

The gym will be closed for 1 to 2 weeks during installation and member fees will be frozen during this period.

Revenue loss arising from this closure will have minimal impact as the City's budgeted revenue estimates are currently set at 95% of a normal operating year, allowing for a COVID closure buffer. Additionally, memberships are currently trending at 10% above normal levels.

**COMMENTS:**

The evaluation panel carried out the evaluation of the submissions in accordance with the City's evaluation process and concluded that the offers submitted by Technogym Australia Pty Ltd for Cardio Equipment, and Goldpin Corporation Pty Ltd trading as Gymcare for Strength Equipment, represent best value to the City.

## Attachment 1 (Equipment Lists)

## Cardio Equipment

Item no.	Item description	Quantity required	Equipment Specification
1	Treadmills	14	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· Minimum 3hp motor</li> <li>· Minimum incline capacity 0-15%</li> <li>· Minimum max speed 23km/hr</li> <li>· Minimum running surface 52cm (W) x 152cm (L)</li> <li>· Low impact running deck</li> <li>· Quick start option</li> <li>· Quick change km option</li> <li>· Auto shut off/no user detection</li> <li>· Safety emergency stop button</li> <li>· HD touch screen 15" or better</li> <li>· Customizable home screen</li> <li>· Maximum user weight 180kg (minimum)</li> <li>· Heart Rate monitoring</li> <li>· Customizable programs</li> <li>· Phone charging/USB station</li> </ul>
2	Upright Bikes	6	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· Minimum 20 resistance levels with small increments available</li> <li>· Quick start option</li> <li>· Customizable programs</li> <li>· Auto shutoff/no user detection</li> <li>· HD touch screen 15" or better</li> <li>· Customizable home screen</li> <li>· Maximum user weight 180kg (minimum)</li> <li>· Heart Rate monitoring</li> <li>· Customizable programs</li> <li>· Easy adjustable pedal straps</li> <li>· Easy adjustable seat</li> <li>· Drink bottle holders</li> <li>· Phone charging/USB station</li> </ul>
3	Recumbent Bikes	1	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· Quick start option</li> <li>· Customizable programs</li> <li>· Auto shutoff/no user detection</li> <li>· HD touch screen 15" or better</li> <li>· Customizable home screen</li> <li>· Maximum user weight 180kg (minimum)</li> <li>· Heart Rate monitoring</li> <li>· Customizable programs</li> <li>· Easy adjustable pedal straps</li> <li>· Easy adjustable seat</li> <li>· Drink bottle holders</li> <li>· Phone charging/USB station</li> </ul>
4	Ellipticals/Crosstrainers	4	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· Upper and lower body movement</li> <li>· Customizable programs</li> <li>· Quick start option</li> <li>· HD touch screen 15" or better</li> <li>· Maximum user weight 160kg (minimum)</li> </ul>
5	Stair Climber or similar	4	<ul style="list-style-type: none"> <li>· Commercial Grade</li> <li>· Customizable programs</li> <li>· Quick start option</li> <li>· HD touch screen 15" or better</li> <li>· Maximum user weight 160kg (Minimum)</li> </ul>
6	Concept 2 Rower	4	<ul style="list-style-type: none"> <li>· Commercial Grade</li> <li>· Customizable programs</li> </ul>
			<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· 4 way adjustable seat and handlebar positions</li> <li>· Combo pedals – straps/cleats</li> </ul>

7	Ergometer	1	<ul style="list-style-type: none"> <li>· Removable Seat</li> <li>· Protected wheel</li> <li>· Backlit display</li> <li>· Maximum user weight 150kg (minimum)</li> <li>· Drink bottle holders</li> </ul>
8	Free runner treadmill (Skillmill or similar)	4	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· HIIT capable</li> <li>· Instant speed and gradient control (+25% to -3%) minimum</li> <li>· Push/sled resistance capabilities</li> </ul>
9	Airdyne/Ergo bike or similar	2	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· HIIT capable</li> </ul>
10	Ski Erg	2	<ul style="list-style-type: none"> <li>· Commercial grade</li> </ul>
11	Signature pieces	2	<ul style="list-style-type: none"> <li>· Commercial grade</li> <li>· HIIT capability</li> <li>· At supplier discretion based on current industry trends</li> <li>· If Tenderer does not have any different pieces they can nominate additional pieces of existing equipment</li> </ul>

See next page for Strength Equipment

**Strength Equipment**

Item no.	Item description	Quantity required	Equipment Specification
<b>PIN LOADED EQUIPMENT</b>			
Commercial grade Instruction placard displaying; muscle groups activated, machine adjustments and movement patterns Full front and back shrouds including pulley covers Powder coated frames Adjustable height options for positioning set up Independent lever/pulley options Commercial grade cushion covering and padding Compatibility with fitness technology			
12	Seated Leg Press	1	As above
13	Lying Leg Curl	1	As above
14	Glute Kickback	1	As above
15	Leg Extension	2	As above
16	Hip Abduction	1	As above
17	Hip Adduction	1	As above
18	Total Hip and Glute Machine	1	As above
19	Chest Press	1	As above
20	Shoulder Press	1	As above
21	Pectoral fly/rear deltoid	2	As above
22	Seated Row/rear Deltoid	1	As above
23	Lateral Raise	1	As above
24	Abdominal	1	As above
25	Tricep Press	1	As above
26	Biceps Curl	1	As above

<b>CABLE MACHINES</b>			
Commercial grade Powder coated frames Adjustable height options for positioning set up Independent lever/pulley options			
27	Pin loaded cable motion chest press	1	As above
28	Pin loaded dual adjustable pulley	1	As above
29	Multi Jungle /Monkey Bar or similar with 8 station base (add on below 29 to 35)	1	As above
	-Tricep Pushdown - Station	1	
	-Lat Pulldown - Station	1	
	-Dual Pulley Pulldown - Station	1	
	-Low Row - Station	1	
	-Dual Pulley Row – Station	1	
	-Adjustable Pulley – Station	1	
	-Adjustable Cable Crossover (connects two core towers)	1	

<b>PLATE LOADED MACHINES</b>			
Commercial grade Instruction placard displaying muscle groups activated, machine adjustments, movement patterns Rubber slip prevention footings Adjustable height options for positioning set up Storage horns minimum maximum weight 157.5kg Commercial grade cushion covering and padding Powder coated frame Protective coating for bar racking			
30	Linear Leg Press	1	As above
31	V-Squat	1	As above
32	Linear Hack Squat	1	As above
33	Ground base plate loaded Squat/Lunge	1	As above
34	Glute Trainer	1	As above
35	Leg Extension	1	As above
36	Kneeling Leg Curl	1	As above
37	Calf Raise	1	As above
38	Incline Press	1	As above
39	Shoulder Press	1	As above



40	High Row	1	As above
41	Seated Row	1	As above
42	T-Bar Row	1	As above
43	Bicep Curl	1	As above

<b>BENCHES</b>			
Commercial grade Rubber slip prevention footing Adjustable height options for positioning set up Commercial grade cushion covering and padding Powder coated frame			
44	Chin/Dip/Leg Raise	1	As above
45	Leg Raise	1	As above
46	Back Extension	1	As above
47	Preacher/Arm Curl	1	As above
48	Olympic Flat Bench Press	2	As above
49	Olympic Decline Bench	1	As above
50	Olympic Incline Bench	1	As above
51	Olympic Bench Weight Storage	4	As above
52	Flat Bench	2	As above
53	Multi Adjustable Bench	9	As above
54	Adjustable Decline Abdominal Bench	1	As above

<b>RACKS</b>			
Commercial grade Powder coated frames Adjustable height options for positioning set up			
55	Power Rack – Half Rack	4	As above
56	4 x 8 Platform – Logo	4	As above
57	Smith Machine	1	As above
58	GHD	1	As above
59	Sissy Squat or similar	1	As above

<b>FUNCTIONAL TRAINING RIG</b>			
Commercial grade Powder coated frames Fit available floor space 8.03m x 10.25m Syngry 360 or similar (provide options – for multiple users) Shrouds and pulley covers Adjustable height options for positioning set up			
	Functional Rig with all accessories – including but not limited to:		As above
	4 x cable options		As above
	Pull-up station/s		As above
	Boxing bag		As above
60	Storage	1	As above
	Kettle Bell set (6kg – 32kg)		As above
	TRX x 4		As above
	Adjustable step-up bench		As above
	Monkey bars (or similar)		As above
	Battle ropes		As above

<b>PLATES</b>			
Commercial grade Weight increments clearly marked Centre smooth stainless inserts Round plates – Polyurethane/Rubber (as indicated below)			
61	Olympic/ABC (or similar) Polyurethane Disc – 25kg	16	As above
62	Olympic/ABC (or similar) Polyurethane Disc – 20kg	50	As above
63	Olympic/ABC (or similar) Polyurethane Disc – 10kg	50	As above
64	Olympic/ABC (or similar) Polyurethane Disc – 5kg	50	As above
65	Olympic/ABC (or similar) Rubber Bumper Disc – 2.5kg	70	As above
66	Olympic/ABC (or similar) Rubber Bumper Disc – 1.25kg	40	As above
67	Olympic/ABC (or similar) Rubber Coated Bumper Disc – 25kg	16	As above

68	Olympic/ABC (or similar) Rubber Coated Bumper Disc – 20kg	20	As above
69	Olympic/ABC (or similar) Rubber Coated Bumper Disc – 15kg	8	As above
70	Olympic/ABC (or similar) Rubber Coated Disc – 10kg	20	As above
71	Olympic/ABC (or similar) Rubber Coated Disc – 5kg	16	As above

<b>FIXED WEIGHTED BARBELLS</b>			
Commercial grade Rubber coated Round ended Fixed Ends			
72	Polyurethane Barbell Set 10-20kg (2.5kg increments)	1	As above
73	Polyurethane Barbell Set 25-45kg (5kg increments)	1	As above
74	Storage Rack	1	Commercial Grade
			Vertical storage
			Powder coated frame
			Rubber footings

<b>DUMBELLS</b>			
Commercial grade Fixed ends Rubber coated Round ends			
	Polyurethane Dumbell Set 2-10kg	1	As above
75	Polyurethane Dumbell Set 12 – 20kg	2	As above
	Polyurethane Dumbell Set 22 – 50kg	1	As above
76	Double Tier Dumbell Rack – 10 pair	3	As above
77	Polyurethane Dumbell Set – 1-10kg + slimline tower rack	2	As above

<b>Miscellaneous</b>			
78	Monark 828E Ergometer	1	Commercial Grade
79	Tanita MC 780 Body Analyser	1	Or similar



## BEATTY PARK GYM EQUIPMENT RENEWAL

### Description

Gym equipment due for renewal. Strength equipment and cardio equipment leased in 2013 and purchased outright in 2019/20. Equipment is at the end of its useful life, resulting in increased maintenance and downtime.

### Drivers (the "Why?")

- Equipment is at the end of its useful life
- Increasing maintenance costs
- Increasing downtime of equipment
- Increased wear and tear (equipment condition)
- Member retention
- Customer Segment – 'Gym regulars' – will change gyms if equipment is not at suitable standard

### Objectives (the "What?")

- Replace all gym equipment at Beatty Park, both strength and cardio
- Replace flooring
- Minimise gym downtime due to installation/maintenance/equipment failure
- Identify new equipment that can be swapped in (refresh)
- Identify equipment to suit customer segment – 'Seniors, Rehab, Accessibility'

### Benefits (the "So What?")

- Maintain Beatty Park brand and quality product delivery in a competitive market
- Member retention
- Reduce maintenance costs
- Minimal downtime during install (1 closure, not 2 closures), minimises impact on revenue
- New equipment – promotional opportunity
- New equipment – customer segment – target 'Seniors, Rehab, Accessibility Needs'
- New equipment – maintenance under warranty

### Financials

Best financial case is to enter into two WATC loans (as below), aligned to equipment life. Annual loan payment of \$90K per annum has been funded by an increase in membership fees ie user pays.

Revenue loss arising from 1 to 2 week closure will have minimal impact as revenue estimates currently pitched at 95% of normal year.

Cashflow (NPV)	Strength	Cardio	Total
Buy (Outright) - 4 year	N/A	\$471,581.48	<b>\$919,399.82</b>
Buy (Outright) - 6 year	\$447,818.34	N/A	
Buy (WATC) - 4 year	N/A	\$437,098.23	<b>\$900,442.36</b>
Buy (WATC) - 6 year	\$463,344.13	N/A	
Leasing - 4 year	N/A	\$503,413.10	<b>\$976,677.33</b>

### Other Options Considered

Other Options	Advantage	Disadvantage
No Change	<ul style="list-style-type: none"> <li>* Equipment is currently owned outright.</li> <li>* No incremental costs.</li> <li>* No downtime.</li> <li>* Loyal Members will stay.</li> </ul>	<ul style="list-style-type: none"> <li>* Increased maintenance &amp; equipment breakage leads to customer frustration.</li> <li>* Beatty Park loses "Gym regulars" who create a regular core membership that underpin member revenue.</li> <li>* "Gym regulars" segment are influencers who will promote the brand.</li> </ul>

### Metrics

Performance Baseline (Jan to June 2021)	Trend
Total Member Numbers	Maintained
Member Numbers by Segment - Seniors, Rehab, Accessibility	Increased
Equipment Maint Cost (\$)	Reduced
Downtime - Equipment Failure (# Events)	Reduced

Prepared March 2021 | Virginia Miltrup | Business Case was approved during Budget 2021/22