



# City Council Report

**Date:** January 26, 2015  
**To:** City Council  
**Through:** Alex Deshuk, Manager of Technology and Innovation  
**From:** Edward Quedens, MPA, C.P.M., CPPO, Business Services Director  
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator  
**Subject:** Dollar Limit Increase to the Term Contract for Replacement Commercial Grade Fitness Equipment and Supplies for the Parks, Recreation and Commercial Facilities Department **(District 5)**

## Purpose and Recommendation

Council is requested to approve a dollar limit increase to the Term Contract for Commercial Grade Fitness Equipment and Supplies as recommended.

Parks, Recreation and Commercial Facilities and Purchasing recommend authorizing a dollar limit increase of \$120,000.00 with Fitness 4 Home Superstore, Inc. dba Commercial Fitness Superstore, increasing the contract amount from to \$106,000.00 to \$226,000.00 for this fiscal year, based on estimated requirements.

## Background / Discussion

This contract provides commercial grade fitness equipment and supplies including Cardio Fitness Equipment and Strength Fitness equipment. The Parks, Recreation and Commercial Facilities Department is requesting to replace Strength and Cardio Equipment at the Red Mountain Multigenerational Center. The Strength Fitness Equipment is fifteen years old; the manufacturer is no longer in business and replacement and repair parts are difficult to obtain. The Cardio equipment is seven years old and is four years past estimated life expectancy based on industry standards and hours of total use.

On September 24, 2012, Council approved the initial five-year contract with two, one-year renewal options. This increase request is for Year Three only. In the first two years of the contract, spending was significantly less than had been estimated. In Year One, only about \$89,000 of the \$186,000 estimated was spent and in Year Two, only about \$24,000 of the \$106,000 estimated was spent.

## Alternatives

Council may choose not to authorize the increase and new bids will be obtained.

## Fiscal Impact

This purchase is funded by the Parks, Recreation and Commercial Facilities Infrastructure Replacement Fund.

## Coordinated With

Parks, Recreation and Commercial Facilities and Purchasing

### **PURCHASING INFORMATION**

Action: Dollar Limit Increase

Procurement Type: Request for Bids

Solicitation Number: 2012196

Responses Received: 5

Contract Term: October 1, 2012 through September 30, 2017

### **August 14, 2012 Bid Results:**

	<b>Category 1*</b>	<b>Category 2*</b>	<b>Category 3*</b>
Commercial Fitness Superstore Phoenix, AZ	5% - 46%	22% - 31%	25% - 33%
Gym Source Tempe, AZ	5% - 43%	5% - 30%	No Bid
Advanced Exercise Group Littleton, CO	20% - 30%	25% - 30%	25% - 30%
Marathon Fitness Sugar Land, TX	15% - 25%	15% - 20%	No Bid
ProMaxima Mfg.** Houston, TX	2%	2%	2%

\* Vendors provided percentage off manufacturer's list pricing for each category.

\*\* Vendor did not meet all listed specifications or offered an incomplete response.

### **DOLLAR LIMIT INCREASE RECOMMENDATION**

***Fitness 4 Home Superstore, Inc. dba Commercial Fitness Superstore  
Phoenix, AZ***

<b>Description</b>	
Commercial Grade Fitness Equipment and Supplies per Terms and Conditions, Specifications and Pricing as offered	
September 24, 2014 – Year 3	\$106,000.00
Increase Request 1/26/2015	<u>\$120,000.00</u>
<b>New Annual Contract Amount</b>	<b><u>\$226,000.00</u></b>