

Village of Orland Park Competitive Analysis Worksheet

Project Title and Brief Description

Sportsplex Woodway Equipment Purchase: includes 2 Woodway treadmills. These two pieces of equipment will be replacing two of the four existing Woodway treadmills. The current Woodways are 15 years old and are in need of replacement.

Lead Department

Director: Nancy A. Flores

Department: Recreation

Division: Sportsplex

Program/Service: Cardio Equipment

Strategic Analysis

What Strategic Pillar does this expenditure support?

Quality of Life

What is the desired outcome of making this expenditure?

The replacement of worn and damaged equipment addresses member satisfaction issues, assists in attracting new members and increases the reliability of equipment.

This purchase was programmed into the annual replacement program due to its current condition. See the Market Segmentation Report – pages 34 and 35.

How does this expenditure enable the Village to serve residents at current or improved service levels?

Updated, state-of-the-art fitness equipment provides Sportsplex members with high quality equipment that is safe and reliable with less downtime for maintenance and repairs. Expanding upon the variety of equipment offered will appeal to a broader customer base.

Alternatives Analysis

Is this a replacement of an existing product/service or a proposal for new product/service?

Replacement New

Describe the impact if the proposed new/replacement product/service is not made?

The replacement of worn and damaged equipment is essential to maintaining the reliability of equipment and sustaining the market position of Sportsplex through member satisfaction. (See Segmentation Report of November 2015)

Is there an alternative to purchasing this product/service, such as leasing, outsourcing, etc.? If yes, please provide a detailed description of alternatives.

Yes No

An equipment leasing option is available, however it is set-up less like a leasing program and more like a loan program. According to the representative, this is typically only used by customers who do not have the capital to purchase the equipment. The loan rate is typically significantly higher than the Village would get through our own financing mechanisms. Because the capital dollars are already allocated in the budget for this project, staff is not recommending the lease or (loan) option. Unlike a more standard leasing option, there is no opportunity to update equipment during the life of the lease. There is a clear disadvantage to financing this purchase through the company.

From time to time, staff is made aware of locally available used equipment. More often facilities use their old equipment as trade-in to a vendor when purchasing new. Brands should ideally align those our members are currently using at Sportsplex. The familiarity of equipment is important to maintaining customer satisfaction. Used equipment from a commercial facility also may have seen high wear and tear. The anticipated lifespan should be taken into consideration and weighted against the discount in price.

Is there a competitor that offers the same product/service that can deliver the same expected outcome? If yes, please provide an explanation as to why this competitor is not being considered.

Yes No

Is a Total Cost of Ownership (TCO) Analysis applicable to this proposed expenditure?

Yes No

As stated above, the "lease" option is, in essence, a high-interest loan. It is clear that this option would be the least desirable way to advance the purchase.

If yes, please attach TCO Analysis to this worksheet.

If no, please provide an explanation as to why a TCO Analysis does not apply.

Additional Comments/Background Information

Attach additional documentation if necessary.