

Village of Orland Park Competitive Analysis Worksheet

Project Title and Brief Description
<p>Free Weight Strength Equipment Purchase</p> <p>The Sportsplex strength and free weight equipment was purchased when the facility first opened in 2002 and is in need of replacement. Maintenance is extremely difficult and expensive as replacement parts are no longer available. The weight room equipment is represented by half Hammer Strength and half Body Master equipment. Body Master is no longer in business and replacement parts have to be custom fabricated adding to the cost of repairs.</p> <p>\$68,000 was budgeted for the replacement. The recommended purchase includes the following Life Fitness equipment: Power rack, back extension, seated arm curl, bar bell rack, three tier dumbbell rack, flat bench, adjustable bench, weight storage tree, decline bench, incline bench, military bench, squat rack, smith machine, lateral bench press, lateral decline bench, lateral dy row, lateral high row, lateral incline press, lateral rowing, lateral shoulder press, seated bicep, seated calf raise, core tower, adjustable pulley, station frame, dual row, crossover connector, dip attachment, step attachment, adjustable pulley attachments, and Synergy 360XS multipurpose station.</p> <p>The Finance Department determined that Life Fitness was awarded the contract from National Joint Powers Alliance Cooperative for Healthcare, Fitness & Medical Related Solutions. Staff received NJPA co-op pricing. NJPA referred staff to our local sales representative as Life Fitness is a sole source provider of this product and we are only allowed to purchase from the sales representative that covers our area. Staff took the initiative to continue to negotiate a price with the local Life Fitness representative and realized additional savings. (See attached quotes)</p> <p>The local sales representative provided a price of \$57,651.51 which is \$6,177.36 less than the co-op price of \$63,828.86 and significantly less than the budgeted amount.</p>
Lead Department
Director: Nancy Flores
Department: Recreation Department
Division: Sportsplex
Program/Service: Fitness Center – Free Weight Room
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 page 18 and Appendix A.

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

Commercial fitness equipment is manufactured to withstand increased volume, ranging from 12 hours to 24 hours a day, 365 days a year. It is crafted with durable construction, sturdier frames and motors or electronics slated to last for many hours and handle the natural wear and tear over a longer period of time.

Duck taped, cracked and damaged



Rusty and difficult to adjust/remove from rack



Alternatives Analysis	
Is this a replacement of an existing product/service or a proposal for new product/service?	
Replacement <input checked="" type="checkbox"/>	New <input type="checkbox"/>
Describe the impact if the proposed new/replacement product/service is not made?	
<p>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.)</p>	
Is there an alternative to purchasing this product/service, such as leasing, outsourcing, etc.? If yes, please provide a detailed description of alternatives.	
Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<p>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 around 9% which is 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.</p>	
<p>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 with 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 weighed against the discount in price. The most recent review of used equipment in our area did yield a few pieces that were appropriate to augment the existing fitness floor equipment. Should the offer to purchase be accepted, staff will bring a separate item to the Board for consideration.</p>	
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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>As described on page 1, Life Fitness was awarded the contract from National Joint Powers Alliance Cooperative for Healthcare, Fitness & Medical Related Solutions. Staff received NJPA co-op pricing and a quote from our local Life Fitness representative (See attached quotes). NJPA referred staff to our local sales representative as Life Fitness is a sole source provider of this product and the sales representative that covers our area is the sole provider for the company.</p>	
<p>The local sales representative was able to quote a price of \$57,651.51 which is \$6,177.36 less than the co-op price of \$63,828.86.</p>	
Is a Total Cost of Ownership (TCO) Analysis applicable to this proposed expenditure?	
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
<p>If no, please provide an explanation as to why a TCO Analysis does not apply.</p> <p>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.</p>	
Additional Comments/Background Information	

