

Village of Orland Park Competitive Analysis Worksheet

Project Title and Brief Description
Sportsplex Cardio Equipment Purchase Life Fitness Cardio equipment includes: 3 Integrity Cross Trainers, 4 Integrity Power Mills, 2 Integrity Treadmill's, and 9 Life Fitness attachable TV's. All of the above pieces of equipment will be replacing existing equipment that has become very aged, fragile, and required regular maintenance to keep them functioning. Precor Cardio equipment includes: 2 Adaptive Motion Trainers, 2 Elliptical with moving handlebar and adjustable cross ramp, 4 recumbent cycles. The Adaptive Motion Trainers will be replacing two 14 year old ellipticals. The two new ellipticals will be replacing two ellipticals that are 14 years old. The four recumbent bikes will be replacing two 14 year old bikes and two will be an addition to what is on the fitness floor. With the increase of senior memberships there is a need to improve our offerings to that population.
Lead Department
Director: Nancy 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 31 and 34 and Appendix A.
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 <input checked="" type="checkbox"/> New <input type="checkbox"/>	
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 <input checked="" type="checkbox"/> No <input type="checkbox"/> 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 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.	
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"/> Life Fitness and Precor were awarded the contract from the 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 and Precor representatives (See attached quotes). NJPA referred staff to our local sales representative as Life Fitness and Precor are a sole source provider of this product and the sales representative that covers our area is the sole provider for the company.	
The local sales representative for Precor was able to quote a price of \$31,162.50 which is \$1800 less than the co-op price of \$32,962.50. The Life Fitness representative was able to quote a price of \$46,409.01 which is \$10,069.14 less than the co-op price of \$56,478.15.	
Is a Total Cost of Ownership (TCO) Analysis applicable to this proposed expenditure? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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.	
Additional Comments/Background Information	

Attach additional documentation if necessary.