

Eden District Council

Cabinet

19 July 2022

Refurbishment of the Gym at Penrith Leisure Centre

Portfolio:	Communities
Report from:	Assistant Director Communities and Assistant Director Finance
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 The capital programme currently contains £464k for Leisure Centre Equipment and Maintenance. This report proposes to spend up to £380k of this budget, leaving a balance of £84k for other projects.
- 1.2 To seek approval to award a contract for gym equipment following a tender process including delegated authority to enter into negotiations to finalise the contract detail.
- 1.3 To seek approval for delegated authority to officers to spend up to £100,000 of the capital budget set aside to refurbish and update the gym, following the procurement rules. This will include Wi-Fi, electrics, floor coverings, décor and lighting.

2 Recommendation

- 2.1 That Cabinet approves the award of the contract for gym equipment to Life Fitness Ltd.
- 2.2 That the Deputy Chief Executive is given delegated authority to approve contract negotiations up to the value of £280,000.
- 2.3 That the Deputy Chief Executive is given delegated authority to approve contracts totalling £100,000 from the Capital Programme budget for Leisure Centre Equipment and Maintenance, for contracts supporting the gym refurbishment.

3 Report Details

Background

- 3.1 When the Leisure Management Contract was awarded in 2012, a Repairs and Renewals fund was set up to fund items that were agreed sat outside the contract. One such area is the fitness equipment in the gym which has served Penrith Leisure Centre well. But it is now at the end of its expected life and upgrade limitation and needs replacing. Gym design, layout and connection requirements have all changed, and the current gym floor covering, décor and lighting is in need of replacing.

Tender Process

- 3.2 During February 2022, and with consultation with Greenwich Leisure Limited (GLL), the Council conducted a procurement exercise and went out to public tender to replace the gym equipment and refurbish the gym at Penrith Leisure Centre.
- 3.3 The Invitation To Tender (ITT) document specified the supply and installation of “accessible, inclusive and sustainable” gym equipment. It had to be similar or equal to two established commercial fitness equipment manufacturers who are industry leaders in providing a quality best value product package. Life Fitness provided the equipment currently used in the gym at Penrith Leisure Centre. The ITT document also invited the supplying companies to submit a bid to carry-out refurbish works to the gym.

Tender Submissions and Evaluation

- 3.4 The Council received four submissions. One was incomplete and so not considered. A second did not meet the specification criteria and so scored third. The two other submissions both submitted bids for the supply and install of equipment, but also both quoted separately to sub-contract the refurbishment works at a premium. The ITT document foreseeing this scenario gave the Council the option to procure the refurbishment works directly if better value for money could be achieved.
- 3.5 Three of the submissions were all short listed and invited to present their submission in person to a small panel from Greenwich Leisure Limited (GLL) and Eden council officers. The panel also visited one site each nominated by two of the bidders to evaluate their offer in an operational setting. All of which was then scored to the guidance set out in the ITT document. The evaluation process was independently checked.
- 3.6 Overall, the first place submission obtained the best scoring (70%) with the second place submission receiving 60% and we therefore seek approval to award the contract for Gym Equipment to the first place submission, Life Fitness Ltd.

Contract Award Process

- 3.7 The tender processes requested that solutions be provided with costings (with some minimum criteria). The tender scoring took into account that different solutions were provided. However the solutions provided by the suppliers did not have to be the final specification and once we had determined the winning supplier, the Council would then work with the supplier to finalise the solution before the contract is awarded.
- 3.8 Initial discussions with Life Fitness Ltd have determined that an appropriate solution should be able to be agreed within the proposed figure of £280,000.

Gym Refurbishment excluding Equipment

- 3.9 This report further requests officers be given authorisation to spend up to £100,000 to procure directly from suppliers locally the refurbishment/update of the Wi-Fi, floor covering, décor and lighting of the gym at Penrith Leisure Centre from a Repair and Renews budget set aside. Information on the financial budget is contained in section 6.1.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

4.2 This report meets the Healthy, Safe and Secure corporate priority.

5 Consultation

5.1 The Communities Portfolio Holder has been consulted, also the Council's leisure provider Greenwich Leisure Limited (GLL) who operate the Gym have been consulted and will continue to be consulted as the project develops.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 The capital programme currently contains £464k for Leisure Centre Equipment and Maintenance. This report proposes to spend up to £380k of this budget, leaving a balance of £84k for other projects.

6.2 Legal

6.2.1 The appropriate Legal agreements will be drawn up by the Council's legal department.

6.3 Human Resources

6.3.1 There are no Human Resources implications apart from time taken in undertaking the proposal/installation.

6.4 Environmental

6.4.1 The impact of the project on the environment was considered in the ITT document, and scored as part of the tender evaluation process.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	In choosing the winning submission consideration was given to providing for accessibility and inclusion.
Health, Social Environmental and Economic Impact	The refurbishment of the gym will allow continued use of the facility for Health and Fitness at a reduced carbon production.
Crime and Disorder	No Implications
Children and Safeguarding	No Implications

6.6 Risk Management

Risk	Consequence	Controls Required
The Gym equipment is out of date and becoming unreliable. Needs to be replaced in order to provide a modern attractive facility with up to date equipment, software and customer connectivity.	Equipment breaks-down beyond economic repair. Customer numbers and viability of the Gym reduces.	Ensure a full range of accessible and sustainable equipment is installed suitable for all PLC customer needs. Work with chosen supplier and Leisure Contractor to ensure best fit for wide range of customers and best value package.

7 Other Options Considered

- 7.1 The process for selecting a supplier for the gym equipment was done by a tender process with 4 submissions. The submissions were scored for most economically advantageous.
- 7.2 The option to include the other refurbishment elements were included in the tender however the returns for these elements were not considered economically advantageous so are proposed to be omitted from the award and quotes sought separately from experts in each area.

8 Reasons for the Decision/Recommendation

- 8.1 The Installation of new equipment and refurbishment of the Gym will ensure the success of the Gym and retain members in an increasingly competitive market.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	11 July 2022
Monitoring Officer (or Deputy)	11 July 2022
Relevant Assistant Director	06/07/22 – Assistant Director Finance

Background Papers: None

Appendices: None

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