



City of Keller

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Legislation Text

File #: 21-611, **Version:** 1

To: Mark R. Hafner, City Manager

From: Jennifer Oakes, The Keller Pointe Manager

Subject:

Consider a resolution approving the purchase of replacement cardio equipment from Marathon Fitness of Sugarland, Texas, through the BuyBoard Purchasing Program; for The Keller Pointe Recreation and Aquatic Center; and authorizing the City Manager to execute all purchase documents relating thereto on behalf of the City of Keller, Texas.

Action Requested:

Consider a resolution approving the purchase of twenty-eight (28) pieces of cardio equipment, from Marathon Fitness, of Sugar Land, Texas, through the Buy Board cooperative purchasing program in the amount of \$195,244.31.

Background:

The current equipment is six years old and at the end of its life cycle and is typically replaced every 4 - 5 years. The existing equipment has become cost prohibitive with replacement costs and staffing hours to repair and maintain.

All fifty (50) pieces of the cardio equipment were originally scheduled to be replaced in 2019, but due to the need to replace the indoor pool slide and tower the purchase was moved to 2020. To ensure the facility's financial operation was top priority during the pandemic, the replacement of the equipment was delayed again. Currently, we are asking to replace half of the cardio floor in FY 2021-22. This will ensure solid financial operation and planning for future capital purchases, while replacing the oldest and most needed items like the treadmills and ellipticals.

The original cost in 2019 was approximately \$350,000 for all fifty (50) pieces. Since that time, the cost of replacing the equipment has significantly risen due to the current supply chain demands, similar to many other price increases seen in other industries. In April 2021, in preparation for the budget request, quotes were received in the \$130,000 range for the twenty-eight pieces of cardio equipment. In anticipation of potential increases, staff added an additional \$15,000 or 11% to the request to attempt to offset any differences in pricing that may occur. Since April 2021, prices have surpassed the 11%, swelling to a 34% increase. This significant increase is anticipated to continue to grow, thus leading staff to the recommendation of purchasing all 28 pieces of cardio equipment now for \$195,244.31 from Marathon Fitness, of Sugar Land, Texas through the Buy Board cooperative purchasing program.

Marathon Fitness is a Buy Board program provider and is well known in the fitness industry. The warranty on the new equipment includes 7 years on the structural frame; 5 years on the motors; 3

years on parts; 3 years on the console screen; and 1 year on labor.

Financial Impact:

The FY 2021-22 Keller Pointe Budget include funds for cardio equipment replacement of \$145,000 from the capital replacement division. The additional \$50,244.31 will be funded through any savings in other capital projects and/or operational savings in FY 2021-22 The Keller Pointe budget, resulting in a total replacement cost of \$195,244.31.

Citizen Input/Board Review:

N/A

Legal Review:

N/A

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial