



City of Killeen

Legislation Text

File #: RS-16-071, Version: 1

Consider a memorandum/resolution authorizing a lease for fitness equipment at the Family Recreation Center.

AGENDA ITEM

Authorize a lease for fitness equipment at the Family Recreation Center.

ORIGINATING DEPARTMENT

Community Services / Parks and Recreation

BACKGROUND INFORMATION

The Family Recreation Center opened in May of 2008. The facility features 5,400 square feet of fitness space. The facility is equipped with cardiovascular machines, weight resistance machines, and free weights. The initial equipment purchase for the facility totaled \$185,000; \$165,000 of this funding has been provided by the Tommie Harris Foundation.

In June of 2013, City Council authorized a lease for cardiovascular equipment at the facility to replace the original equipment that had begun to malfunction due to age. The lease represented a change in the approach of maintaining the cardiovascular equipment at the facility. The lease option was determined to be a more viable means to maintain and fund the cardiovascular equipment in the facility.

DISCUSSION/CONCLUSION

The existing lease agreement for cardiovascular equipment at the Family Recreation Center expires in June of 2016. In 2013 the decision was made to procure cardiovascular equipment via the lease option to allow for the replacement of aging, worn and failing equipment with new equipment that is covered via a maintenance agreement. With the expiration of the existing lease, the City will now begin to incur all the fees associated with maintenance of the equipment.

The cardiovascular equipment is the most highly utilized equipment in the facility. Maintenance issues related to cardiovascular equipment are the most frequently occurring and are usually the most expensive. The ability to meet the needs of our current members and continue to attract new members is directly related to the age, quality, and functionality of cardiovascular equipment.

The utilization of a lease for cardiovascular equipment allows the Family Recreation Center to maintain cardiovascular equipment that meets the needs of customers, minimizes the fiscal impact, and eliminates maintenance costs over the duration of the lease. Staff identified nine treadmills, three EFX (elliptical), two recumbent bikes, two AMT (cross trainers), two stair mills, and one upright bicycle as needing to be replaced at the Family Recreation Center.

The city is a member of various purchasing cooperatives; purchases made through these cooperatives satisfy the city's bidding requirements. Team Marathon Fitness is a member of the BuyBoard. They offer the best value (\$118,426.39) to meet the equipment needs of the Family Recreation Center. Pricing was obtained from two additional companies for the identical equipment and timeframe: Out Fit (\$122,705.07) and Push Pedal Pull (\$119,125.00).

FISCAL IMPACT

The existing equipment that was included in the expiring lease will be traded back to the vendor for a credit in the amount of \$14,500. Funds in the amount of \$9,400 are available in the Designated Expenses / Lease Payments account (010-3026-425-5048) for the initial payment. The total amount of the equipment lease for the duration of the contract will be \$118,426.39. The remaining \$109,026.39 costs will be incurred over the next three budget years, with the annual payment being \$36,342.13.

RECOMMENDATION

Staff recommends that City Council authorize the City Manager to execute a contract with Team Marathon Fitness for the lease of cardiovascular / fitness equipment for the Family Recreation Center in the amount of \$118,426.39. The City Manager is further authorized to execute any change orders in the amounts allowed by state law.