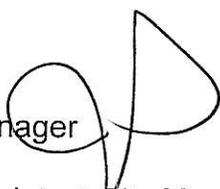




CITY COUNCIL ACTION REPORT

August 6, 2009

TO: John Szerlag, City Manager 

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration 
 Susan A. Leirstein, Purchasing Director
 Carol K. Anderson, Parks and Recreation Director

SUBJECT: Standard Purchasing Resolution 2: Bid Award – Lowest Bidder Meeting Specifications – Community Center Treadmills

Background

- On July 9, 2009, bids were received and opened for a supplier to furnish eight (8) Treadmills and purchase eight (8) City treadmill trade-ins from the Troy Community Center.
- 32 vendors were notified via the MITN system, with seven (7) bid responses received; as well as one statement of no bid.
- Bids were examined and compared to the specifications. Fitness Things submitted two proposals for two different treadmill models, True and Cybex. Even though the step-up height is approximately 2" higher than specified, staff will accept the low bid on the True model as a minor deviation to the original specifications.
- Other vendors withdrew their bid from consideration on the purchase of City equipment because they failed to state an all or none award as required by the bid documents.
- City management will continue to evaluate bid requirements and determine whether it's in the City's best interest to award on an all or none basis, or split-up the award between the purchase of new equipment and vendor's purchase of trade-ins. In this particular bid process, vendors were given the option to bid on an all or none basis, or have each item considered separately. Many vendors failed to disclose their intentions on the bid documents and therefore, had to be eliminated from consideration for failing to meet bid requirements. (see Letter attached)

Financial Considerations

- The Parks and Recreation department has budgeted funds in the 101.751.31.755.7740.010 - Operating Supplies General account for this purchase.

Legal Considerations

- ITB-COT 09-26, Treadmills was competitively bid as required by City charter and code.
- The award is contingent upon the company's submission of properly executed bid and contract documents including insurance certificates and all other specified requirements.

August 6, 2009

To: John Szerlag, City Manager

Re: Bid Award – Community Center Treadmills

Policy Considerations

- The purchase of this equipment will help the Community Center maintain the highest level of safe service that meets the public's physical fitness needs. (Outcome Statement I)

Recommendation

- City management and the Parks and Recreation department recommend awarding the contract to furnish eight (8) treadmills and purchase the City's eight (8) trade-ins from the lowest bidder meeting specifications, Fitness Things, Inc of Plymouth, MI, for an estimated net total cost of \$30,400.00.

G:/Bid Award 08-09 New Format/Award Standard Purchasing Resolution 2 – Treadmills 07.09.doc



July 17, 2009

Re: New Commercial
Treadmills & Trade-Ins
ITB-COT 09-26

Direct Fitness Solutions
Attn: Mark Kwiatkowski
600 Tower Road
Mundelein, IL 60060

Dear Mr. Kwiatkowski:

I am in receipt of your letter dated July 16, 2009, regarding ITB-COT 09-26 New Commercial Treadmills and the purchase of eight (8) City trade-ins. It is unfortunate Direct Fitness overlooked the areas that described in detail how the bid was to be awarded. Excerpts from the bid document follow:

- Instructions to Bidders (Page 2 of 2) under Special Instructions
If your bid is **not** to be broken up by item i.e. 1) treadmills and 2) trade-ins and based on an all or none award, please indicate this on your bid proposal under the "Exceptions" section, page 5 of 5.
- Bid Proposal – Page 2 of 5
AWARD: The evaluation and award of this bid shall be a combination of factors, including but not limited to: cost, professional competence, references, warranties, and the correlation of the proposal submitted to the needs of the City of Troy.
The City of Troy reserves the right to award this bid to the lowest responsible bidder meeting specifications for the treadmills and to the highest responsible bidder for the trade-ins or to combine the items in whatever manner is deemed to be in the City of Troy's best interest; to reject low bids which have major deviations from the specifications; to accept a higher bid which has only minor deviations.

Since the bid submitted by Direct Fitness did not indicate an all of none award and after bids have opened cannot be changed, the City's only options are to put Direct Fitness in default for not honoring their bid, or simply have them withdraw. It is in both parties best interest to have Direct Fitness withdraw their pricing on all items or only that of the trade-ins, as it only means a mistake was made in the submittal that cannot be fulfilled; but the company can continue to bid on future projects. If the City places a vendor in default, we cannot conduct business with them for three years. Please take a moment to reconsider your position and advice.

If you have any questions, please contact the Purchasing Department at (248) 524-3338.

Sincerely,

Susan Leirstein, CPPB
Purchasing Director

cc: File

DIRECT  **FITNESS**
SOLUTIONS

ILLINOIS OFFICE:
600 Tower Road
Mundelein, IL 60060
IL 1-800-838-2819
Ph: (847) 680-9300
Fax: (847) 680-8906

July 17, 2009

To: Susan Leirstein- City of Troy Purchasing Department
From: Mark Kwiatkowski- Direct Fitness Solutions
Re: Treadmill Bid for Recreation Center

Susan-

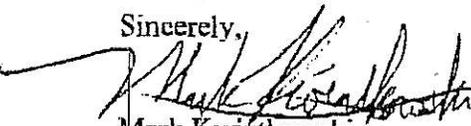
Per our conversation this morning, we have no choice but to withdraw our bid for the trade in of the treadmills. I understand that you are simply following the policy set forth by the City Council and the Council's intent with the way the bid was structured was to try and get the best possible deal for the city. I ask that you please forward this letter to the City Council so they can understand the ramifications of the policy they set up.

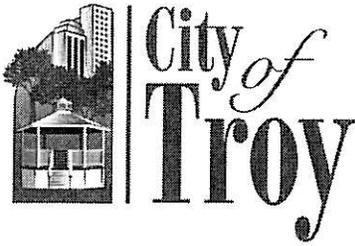
As you now realize, you will not find a vendor willing to buy trade in pieces of equipment without getting the sale of new equipment as well. Any vendor who submits a bid that includes a trade in will always insist on the condition that they get the sale of new equipment as well. Because no vendor was willing to go along with the way the bid was structured, you are being forced to either change the terms of your bid or to re-bid the project. However, because of the technicality you have imposed (ignoring which would give no vendor any advantage), multiple vendors have been forced to withdraw their bids. This reduces the opportunity for the city to get the best possible deal for this bid. If one of the eliminated bidders actually has the best combined bid, then doesn't that actually hurt the city and nullify the intent of doing the bid in the first place?

In addition, by forcing my company to withdraw, you are eliminating the only bidder submitting an American made product. Precor treadmills are 100% manufactured and assembled in Woodinville, Washington. In these tough economic times, shouldn't American cities make every effort to help support American companies?

If the City Council changes its mind and decides to allow all of the bidders to stay in the bidding process with "all or nothing" bids, then we would greatly appreciate the opportunity to have our bid considered for award. Please feel free to call me at 248-755-5748 if you have any questions.

Sincerely,


Mark Kwiatkowski



August 13, 2009

Re: New Commercial
Treadmills & Trade-Ins
ITB-COT 09-26

Mr. Mark Kwiatkowski
Direct Fitness Solutions
600 Tower Road
Mundelein, IL 60060

Dear Mr. Kwiatkowski,

I am writing in response to your letter regarding to ITB-COT 09-26 New Commercial Treadmills and purchase of eight (8) City trade-ins, as stated in the previous notification letter sent to you on July 17, 2009, the bid document described in detail the manner in which the bid was to be awarded (see attached City of Troy letter dated July 17, 2009)

As stated in the previous notification letter, it is unfortunate Direct Fitness overlooked both areas and did not indicate an all of none award. As I am sure you understand that in order to maintain integrity of the bidding process once opened, bids cannot be changed. Since you could not honor your proposal as presented, the City had no other option but provide the opportunity to allow for withdrawal of the proposal or be forced to place you in default.

Although the City appreciates your concerns, the bid document did provide ample opportunities for all bidders to present proposals that met their industries bidding practices.

We would like to thank you for taking the time to submit a proposal, and hope that you will continue to submit proposals for future projects that may be needed by the City of Troy.

If you have any questions, please contact the Purchasing Department at (248) 524-3338.

Sincerely,

Susan Leirstein, CPPB
Purchasing Director

cc: File

G://Purchasing/Letters - Memos - Options - Various/Ltr - Treadmills ITB-COT 09-26 - Direct Fitness.doc

VENDOR NAME:

Fitness Things Inc	Fitness Things Inc	All-Pro Exercise	ProMaxina Mfg
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PROPOSAL: TO FURNISH EIGHT (8) TREADMILLS AND PURCHASE THE CITY'S (8) TRADE-INS

PROPOSAL: Furnish & Install Eight(8) Commerical Grade Treadmills in the Troy Community Center - Fitness Room in accordance with the specifications	\$ 4,250.00	\$ 4,450.00	\$ 4,395.00	Withdraw
COMPLETE FOR THE SUM OF:	\$ 34,000.00	\$ 35,600.00	\$ 35,160.00	Withdraw
Quoting On:	Treadmills	Treadmills	Matrix	Stex 8025 TW
Manufactured by:	TRUE	Cybox		ProMaxina/Stex
Model Number:	CS6.0	750T	T5X-09	CV-8025TW
AUTHORIZED DEALER: Y or N	Blank	Blank	Yes	Yes
# of Years -	Blank	Blank	4	6
PURCHASE OF CITY TRADE-INS: Eight (8) Precor C956i Treadmills - (Aug 2005)	\$ (450) \$ (3,600.00)	\$ (450) \$ (3,600.00)	\$ (300) \$ (2,400.00)	Withdraw
NET TOTAL:	\$ 30,400.00	\$ 32,000.00	\$ 32,760.00	Withdraw
DELIVERY SCHEDULE:	Week of August 24, 2009			
Can Meet	XX	XX	XX	XX
Cannot Meet				
SERVICE FACILITY:	Location			
	Plymouth, MI	Plymouth, MI	Farmington Hills Michigan	Milford, MI
# of Miles	39.7	39.7	30	40
Response Time	48 Hours	48 Hours	48 Hours	24 Hours
CONTACT INFORMATION:	Names:			
	Rachelle Lohrer	Rachelle Lohrer	Don King	Deborah Churm
Hours of Operation	Kristin Szymanski	Kristen Szymanski	Dan Coyee	Dan Strohl
24 Hr. Phone Number	9AM to 5PM	9AM to 5PM	M-F 9AM to 6PM	8AM to 5PM
	734-737-8423	734-737-8423	248-789-0469	800-231-6652
WARRANTY: Y or N	INCLUDED IN BID PRICE:			
AC Motor Controller 3 yrs	Yes	Yes	Yes	Yes
Mileage Deck & Belt 3 yrs	Yes	Yes	Yes	Yes
All Parts & Labor 3 yrs	Yes	Yes	Yes	Yes
Free shipping 2nd day 3 yrs	Yes	Yes	Yes	Yes
Free Service call/travel 3 yrs	Yes	Yes	Yes	Yes
AC Motor Lifetime	Yes	Yes	Yes	Yes
Additional Warranty Costs - Marked	N/A	N/A	No Charge	Blank
INSURANCE:	Can Meet			
	XX	XX	XX	XX
Cannot Meet but offer - Additional Cost				
PAYMENT TERMS:	Net 30	Net 30	Blank	Net 30
WARRANTY:	As Specified			
DELIVERY DATE:	As Specified			

Opening Date -- 07/9/09
 Date Prepared -- 8/6/09

CITY OF TROY
 BID TABULATION
 TREADMILLS

VENDOR NAME:

Fitness Things Inc	Fitness Things Inc	All-Pro Exercise	ProMaxina Mfg
See Comparison Sheet	See Comparison Sheet	Trade in of (2,400)	N/A
only take trade in equipment if awarded	only take trade in on equipment if awarded	for 8 Treads only w/bid award	
Yes	Yes	Yes	Yes

EXCEPTIONS:

ACKNOWLEDGEMENT: Signed Y or N

BOLDFACE TYPE DENOTES LOWEST BIDDER MEETING SPECIFICATIONS

NO BIDS:

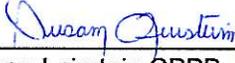
Commercial Fitness LLC

ATTEST:

Debra Doyle

John Hug

Linda Bockstanz



 Susan Leirstein CPPB
 Purchasing Director

Opening Date -- 07/9/09

Date Prepared -- 8/6/09 sl

CITY OF TROY
 BID TABULATION
 TREADMILLS

VENDOR NAME:

Direct Fitness Solutions, LLC	Exercise Warehouse, Inc	Exercise Warehouse	
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PROPOSAL: TO FURNISH EIGHT (8) TREADMILLS AND PURCHASE THE CITY'S (8) TRADE-INS

PROPOSAL:

Furnish & Install Eight(8) Commerical Grade Treadmills in the Troy Community Center - Fitness Room in accordance with the specifications

\$ 4,700.00	\$ 4,874.00	\$ 5,474.00	
DMS - hp and width of walking deck	DMS Warranty	DMS Warranty	
\$ 37,600.00	\$ 38,992.00	\$ 43,792.00	

COMPLETE FOR THE SUM OF:

Quoting On:
 Manufactured by:
 Model Number:

Treadmills	SK6900	SK6900TV	
Precor	BH Fitness	BH Fitness	
954i Experience	SK6900	SK6900TV	

AUTHORIZED DEALER: Y or N
 # of Years -

Yes	Yes	Yes	
8	2	2	

PURCHASE OF CITY TRADE-INS:
 Eight (8) Precor C956i Treadmills - (Aug 2005)

Withdraw	Withdraw	Withdraw	
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NET TOTAL:

DMS	DMS	DMS	
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DELIVERY SCHEDULE:

Can Meet
 Cannot Meet

Week of August 24, 2009		
XX	XX	XX

SERVICE FACILITY:

Location
 # of Miles
 Response Time

Manchester, MI	Livonia, MI	Livonia, MI
81	25	25
24 to 48 hours	48 Hours	48 Hours

CONTACT INFORMATION:

Names:
 Hours of Operation
 24 Hr. Phone Number

Jack Summers	Matt Miller	Matt Miller
	Danny Sherbin	Danny Sherbin
7AM to 7PM	10AM to 8PM	10AM to 8PM
800-838-2819	248-476-2213	248-476-2213

WARRANTY: Y or N

AC Motor Controller 3 yrs
 Mileage Deck & Belt 3 yrs
 All Parts & Labor 3 yrs
 Free shipping 2nd day 3 yrs
 Free Service call/travel 3 yrs
 AC Motor Lifetime

INCLUDED IN BID PRICE:

Yes	Yes	Yes
Yes	Yes	Yes
Yes	No	No
Yes	Yes	Yes
Yes	No	No
Yes	No	No

Additional Warranty Costs - Marked

Blank	Extended Warranty	Extended Warranty
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INSURANCE:

Can Meet
 Cannot Meet
 but offer - Additional Cost

XX	XX	XX
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PAYMENT TERMS:

Net 30	Net 30	Net 30
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WARRANTY:

As Specified		
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DELIVERY DATE:

As Specified		
--------------	--	--

Opening Date -- 07/9/09
Date Prepared -- 8/6/09

CITY OF TROY
BID TABULATION
TREADMILLS

VENDOR NAME:

Direct Fitness Solutions, LLC	Exercise Warehouse, Inc.	Exercise Warehouse	
	Blank	Blank	
Bidding the Precor 954i Experience			
ACKNOWLEDGEMENT: Signed	Y or N	Yes	Yes

EXCEPTIONS:

ACKNOWLEDGEMENT: Signed Y or N