

2001 SEPTEMBER 20

TO: CITY MANAGER
FROM: DIRECTOR PARKS, RECREATION AND CULTURAL SERVICES
SUBJECT: LEASE AGREEMENT TO OPERATE A PHYSIOTHERAPY/MASSAGE CLINIC AT THE EILEEN DAILY LEISURE POOL & FITNESS CENTRE
PURPOSE: To request Council's approval to establish a lease agreement between the City of Burnaby and Drake Medox Health Services for the operation of a physiotherapy/massage clinic at the Eileen Dailly Leisure Pool & Fitness Centre.

RECOMMENDATION:

1. THAT approval be given to establish a lease agreement between the City of Burnaby and Drake Medox Health Services for the operation of a physiotherapy/massage clinic at the Eileen Dailly Leisure Pool & Fitness Centre, with terms and conditions as outlined in the attached report.

REPORT

At its meeting of 2001 September 19, the Parks, Recreation and Culture Commission received the above noted report and adopted the three recommendations contained therein.



Kate Friars
DIRECTOR PARKS, RECREATION
AND CULTURAL SERVICES

tc

Attachment

c:\data\council\PK- LEASE AGREEMENT TO OPERATE A PHYSIOTHERAPY/MASSAGE CLINIC

cc. Director Finance
City Solicitor

SUBJECT: LEASE AGREEMENT TO OPERATE A PHYSIOTHERAPY/MASSAGE CLINIC AT THE EILEEN DAILY LEISURE POOL & FITNESS CENTRE

RECOMMENDATIONS:

1. THAT approval be given to establish a lease agreement between the City of Burnaby and Drake Medox Health Services for the operation of a physiotherapy/massage clinic at the Eileen Dailly Leisure Pool & Fitness Centre, with terms and conditions as outlined in this report.
2. THAT Council be requested to concur.
3. THAT a copy of this report be sent to Mr. Bruce Chutka of Drake Medox Health Services.

REPORT

At its meeting of 2001 August 15, Commission referred back to staff a report on the development of a short-term lease agreement to operate a physiotherapy/massage clinic at Eileen Dailly Leisure Pool & Fitness Centre. The Commission requested additional information to provide context on the proposal. The following report provides additional information.

BACKGROUND

At its meeting of 2001 February 21, Commission approved the issuance of a Request for Proposal (RFP) for the operation of a physiotherapy/ massage clinic at the Eileen Dailly Leisure Pool & Fitness Centre. A Request for Proposal process was subsequently conducted by the Purchasing Department.

Only one proposal was received although some potential bidders toured the site and talked to staff. It appears that a limiting factor may have been the necessary financial investment required to renovate the space from a food service area to a physiotherapy/massage clinic. This initial expense likely was prohibitive due to the unproven market that is being targeted.

The proposal, received from Drake Medox, was evaluated according to the evaluation criteria (Attachment #1) outlined in the Request for Proposal. The proposal was judged to be favorable in its offering and the proposed revenue commitments meet and/or exceed the City's expectations. The references checks confirmed that Drake Medox enjoys a positive track record in the field.

ADDITIONAL INFORMATION

The clinic will offer a range of rehabilitation and prevention programs (Attachment #2) that will be enhanced by use of the weight room and pool. The use of these facilities will be an additional charge over and above the square metre lease agreement. The availability of these services will be an additional customer service for the patrons of Eileen Dailly Pool & Fitness Centre.

This lease will have direct financial benefit to the department by generating approximately \$15,000/year from a space that had a net loss of \$4,900 in 2000. It is anticipated that additional revenue will be generated through the selling of passes and memberships to clients of Drake Medox. Currently, 40% of clients purchase a regular membership at the facility where they have attended their Drake Medox treatment program.

Drake Medox has committed to renovate the space at a cost of \$18,000 to ensure it is congruent with the overall look of the Eileen Dailly facility.

The insurance requirements, as agreed to by the Risk Manager and as stated in the potential lease agreement are:

- The Lessee must maintain:
 - a. Three Million (\$3,000,000) Dollars General Liability Insurance
 - b. Three Million (\$3,000,000) Dollars Professional (Malpractice) Insurance

CONCLUSION

A draft lease agreement has been prepared by the City Solicitor and is available in its entirety if requested. The following are the main points of the lease agreement between the City of Burnaby (Lessee) and Drake Medox Health Services (Lessor).

Proposed Terms and Conditions:

Length of Term

- Three (3) year term with an option to renew for a maximum of two (2) twelve (12) month periods.

Scope of Operations

- The Lessee shall throughout the term operate a licensed physiotherapy and massage therapy service clinic from the leased area.

Financial Agreements

- A basic monthly rental of seven hundred and fifty dollars (\$750.00), exclusive of applicable taxes. Annual cost of \$20/square foot.
- Additional rental equal to \$1.00 per physiotherapy client visit and \$11.10 per exercise client visit, payable monthly on or before the 15th day of each month based on the previous calendar month's visits. In no case shall the additional rentals, exclusive of taxes, be less than:
 - a. \$125.75 per month during the first year of the term
 - b. \$208.33 per month during the second year of the term
 - c. \$208.33 per month during the final year of the term

Location & Leasehold Improvements

- The Lessee will pay for all renovations and leasehold improvements, including the installation of all telephone and communication services.

Insurance and Indemnity

- The insurance complies with the City' standards as previously mentioned in this report.

After consultation with the Purchasing Supervisor and City Solicitor, it is recommended that approval be given to establish a lease between the City of Burnaby and Drake Medox Health Services for the operation of a physiotherapy/massage clinic at the Eileen Dailly Leisure Pool & Fitness Centre and that Council be requested to concur.

WS:mc:tc:hh

Attachment (2)

p:\...wp\ws\commission\drakemedoxsept11.wpd

cc. Director Finance
City Solicitor

Excerpt from Request for Proposal Document (RFP)

8. EVALUATION CRITERIA

Proposals will be evaluated based on several considerations, such as but not necessarily limited to:

- Bidder's track record for customer service and reliability
- Bidder's experience in the operation of a Physiotherapy or Massage Therapy Service or similar operation
- Bidder's standing in the governing regulatory body and/or professional association
- Bidder's financial stability
- reimbursement rate(s)
- type, variety of proposed services and/or products for sale
- any other benefits offered by the Bidder which are not specifically addressed in this request
- completeness of Proposal

:mc

p:\..\wp\ws\commission\drakeattachment2.wpd

Excerpt from Drake Medox Proposal - Page 6 & 7

Services

In addition to providing the requested physiotherapy and massage therapy services, Drake Medox will introduce new “value-added” services to complement the mission and activities of the Eileen Dailly Leisure Pool and Fitness Centre.

Services to include:

1. Physiotherapy and Massage Therapy

Drake Medox will provide general physiotherapy and massage therapy services incorporating a philosophy of “active treatment: (combining acute therapy, exercise and education).

Treatment will cover:

- Orthopaedics
- Back and neck care
- Ergonomic evaluation
- Therapeutic massage
- Sports injury rehabilitation
- Postural training
- Therapeutic exercise
- Health and wellness programming

Full or partial funding for these services is covered through MSP, ICBC, and extended health insurance programs.

NOTE: Special needs populations within the community will also be served, as required, with specific programming such as cardiac rehabilitation, rheumatoid arthritis sessions, fibromyalgia group, osteoporosis and back classes.

2. One-to-One Exercise Therapy

Drake Medox provides one-to-one exercise therapy services designed to assist injured clients in meeting their physical and functional rehabilitation goals. Following a physiotherapy assessment, a registered kinesiologist directly supervises our client’s individualized rehabilitation program. Each client follows a program designed to improve such factors as work tolerance, strength, flexibility and cardiovascular fitness. The goal of treatment is to return each client to their pre-injury level of function and to empower clients to continue with a healthy lifestyle, independently.

3. **Prevention and Wellness Programs**

Drake Medox understand the importance of current trends and needs in the community for wellness and prevention programs. Therefore, we are pleased to offer the following value added services:

a. Personal Training

Working with trained and certified personal trainers, Drake Medox will:

- ensure Eileen Dailly Leisure Pool and Fitness Centre is served by one of the most experienced, service oriented personal training groups in the Lower Mainland,
- ensure optimal “drop-in” revenues are generated through the marketing of comprehensive personal training services,
- ensure that the public has access to a comprehensive range of progressive, high quality services, and
- ensure both male and female trainers are available to accommodate specific client preferences.

b. Lifestyle and Wellness Promotion

- Working in conjunction with City staff, Drake Medox will develop wellness initiatives which meet the needs of the Complex’s patrons.

