



Legislation Text

File #: 2018-642, Version: 1

GLWA-CS-198

Asset Management Planning

Agenda of: March 28, 2018
Item No.: **2018-642**
Amount: \$4,113,267.09

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: March 9, 2018

RE: **GLWA-CS-198**
Asset Management Planning
Vendor: CH2M Hill

MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer - Wastewater, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. GLWA-CS-198, "Asset Management Planning" with CH2M Hill, at a cost not to exceed \$4,113,267.09 for a duration of three (3) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority's (GLWA) Asset Management & Capital Improvement Planning (AM/CIP) group is committed to continuously improve asset management at GLWA in order to increase reliability and efficiency and decrease life cycle costs and equipment down-time.

As asset management practices at GLWA increase in maturity, it has become evident that a strategic approach is required to advance asset management to meet Michigan Department of Environmental Quality requirements and to assist in the cost-effective management of GLWA's assets. The Strategic Asset Management Plan (SAMP) and accompanying Water and Wastewater Asset Management Plan (AMP) updates will provide the necessary direction to become a world class asset management practitioner organization.

JUSTIFICATION

The SAMP will provide a high level approach to asset management and will provide a long-term, 10 year, roadmap to execute various asset management initiatives. For example, the finalized SAMP will provide guidance related to the overall asset management policy and procedures within GLWA. In addition, it will identify strategy, prioritization, schedule and estimated costs related to significant initiatives such as the timing of the replacement or reconfiguration of our current computerized maintenance management system, implementation of mobile technology to eliminate paper work orders and implementation of a robust analytical asset management data analytics tool. Primary objectives of the SAMP are to identify the timing related to key initiatives, identify how asset management related information is used to drive prudent CIP expenditures, provide and confirm overall structure, process and procedures around the SAMP, confirm Water/Wastewater AMP frequency and determine organizational modifications necessary (structure, staffing, processes, etc.) to ensure asset management success and sustainability. In addition to a strategic plan, this project will define and develop asset management plans for the water and wastewater assets (including treatment facilities, pumping stations, interceptor systems, transmission mains, etc.). These plans will help meet MDEQ requirements for asset management at the same time assist with the planning of maintenance and capital improvement projects, continuous improvement initiatives and staffing and training needs for GLWA asset management organization.

Additionally, several programs will be developed as part of this contract to develop streamlined and consistent processes to manage and analyze asset data to support asset management initiatives at GLWA. The programs to be developed are: Condition Assessment Program - Vertical and Building Assets, Condition Assessment Program - Linear Assets, Risk and Criticality Assessment Program, Asset Audits Program, Asset Salvage Program, Asset Replacement and Retirement Program, Scheduled Replacement Program, and Strategic Maintenance and Reliability Program. These programs will be standardized for use across all asset types to ensure consistency of how assets are managed throughout GLWA and to allow for comparison of assets across business units to improve level of service while reducing capital, maintenance and operations costs.

Overall this project will establish a solid foundation and the systematic advancement of asset management at GLWA. This project will result in meaningful and actionable deliverables which will drive how GLWA manages its assets for the next 10 years and beyond.

BUDGET IMPACT

The proposed procurement of the strategic asset management consulting services contract is

budgeted under Contractual Professional Services in the Asset Management cost group (886201). The table below represents the financial plan for this contract.

General Ledger String	FY 2018	FY 2019	FY 2020	FY 2021
5910-886201.000-617903-WS7900	\$1,000,000	\$1,000,000	\$1,646,000	\$1,575,000
Revised estimate based on bid	\$701,187	\$1,540,636	\$1,209,794	\$661,683
Difference	\$298,813	-\$540,636	\$436,206	\$913,317

This contract is within the overall five-year financial plan. The above spend rate may vary by year which will be determined after project kick-off.

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its March 14, 2018 meeting. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.