

Legislation Text

File #: 2021-351, Version: 1

**Contract No. 1904219-1 and Contract No. 1904219-2
Enterprise Asset Management System Software and Implementation Services**

Agenda of: September 22, 2021

Item No.: **2021-351**

Amount: \$6,334,584.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: August 26, 2021

RE: **Contract No. 1904219-1 and Contract No. 1904219-2
Enterprise Asset Management System Software and Implementation Services
Vendor: NEXGEN Utility Management**

MOTION

Upon recommendation of Jeffrey E. Small, Chief Information Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Interim Chief Executive Officer (ICEO) to enter into **Contract No. 1904219-1, “Enterprise Asset Management System Implementation Services” with NEXGEN Utility Management, at a cost not to exceed \$4,602,960.00 for a duration of Three (3) Years; and Contract No. 1904219-2, “Enterprise Asset Management System Subscription Services” with NEXGEN Utility Management, at a cost not to exceed \$1,731,624.00 for a duration of Five (5) Years with One (1) Two-Year Renewal Option; and authorizes the Interim CEO to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

GLWA primarily uses an Enterprise Asset Management (EAM) system, also known as a Computerized Maintenance Management System (CMMS), to manage assets, inventory and requests, as well as track maintenance history (corrective and preventive work orders). The previous Enterprise Asset Management (EAM) system, Oracle Work and Asset Management (WAM)

was implemented in 2013. These systems typically need major upgrades or replacement in a five-to-seven-year timeframe. For GLWA's current version of WAM, no new software functionality or improvements are available. Additionally, improved functionality not offered in GLWA's version of WAM is needed to enhance work and inventory management functions and support desired Strategic Asset Management Plan (SAMP) improvement initiatives. The required new functionality includes Geographical Information System (GIS) integration, mobile work management, asset condition assessment and trending, and asset risk analysis.

The planned start date of these contracts is October 1, 2021 and will end if all terms are approved on September 30, 2028.

JUSTIFICATION

GLWA's current Oracle WAM version is in sustaining support status with patching, upgrades, or functionality enhancements no longer available. Upgrading to the next major Oracle WAM version to achieve needed functionality would equate to a complete re-implementation of the software. Therefore, with many modern and innovative EAM software-as-a-service (SaaS) subscription options available on the market to consider, GLWA issued a Request for Proposals (RFP) to find and select a feature-rich and best fit EAM system replacement. After a robust evaluation process, GLWA selected an innovative, mobile, and user-friendly EAM platform, NEXGEN Asset Management (NEXGEN). This system will further enhance GLWA's asset management technology, condition and risk-based asset renewal decision making. Additionally, partnering with NEXGEN will facilitate improved proactive and predictive work and inventory management processes. NEXGEN will both implement and provide the SaaS subscription for the term of the contracts.

FINANCIAL IMPACT

Summary: Sufficient funds are provided in the financial plan for this contract.

Funding Source: Improvement & Extension (I&E) Budget
Operations & Maintenance (O&M) Budget

Cost Center(s): IT Enterprise Asset Management Systems (883351)

Expense Type(s): Capital Outlay over \$5K (I&E-Capitalized)
(5506-883351.000-901100-CENT01)

Repairs & Maintenance - Software (O&M)
(5910-883351.000-622302-WS7900)

Estimated Cost by Year and Related Estimating Variance: See table below

<u>Fiscal Year</u>	<u>I&E Contract 1904219-1 Amount</u>	<u>O&M Contract 1904219-2 Amount</u>	<u>Combined Contracts Total</u>
FY 2022 Budget	\$1,150,740.00	\$255,072.00	\$1,405,812.00
FY 2023 Financial Plan	1,534,320.00	340,095.00	1,874,415.00
FY 2024 Financial Plan	1,534,320.00	340,095.00	1,874,415.00
FY 2025 Financial Plan	383,580.00	340,095.00	723,675.00
FY 2026 Financial Plan	-	340,095.00	340,095.00
FY 2025 Financial Plan	-	<u>116,172.00</u>	<u>116,172.00</u>
Financial Plan Forecast	\$4,602,960.00	\$1,731,624.00	\$6,334,584.00
Proposed Contract Amount	\$4,602,960.00	\$1,731,624.00	\$6,334,584.00
Variance (positive/ (negative))	-	-	-

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The cost savings are not determinable at the time of award.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on September 8, 2021. 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.