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**Title:** CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH GHD FOR THE DEVELOPMENT OF COMPREHENSIVE ASSET MANAGEMENT PROGRAM AND APPROVAL OF RESOLUTION NO. 22-033 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2021-22 BUDGET IN THE GENERAL FUND"

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**Attachments:** 1. GHD proposal, 2. Contract GHD1, 3. GHD Resolution

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

March 1, 2022

Consent

**SUBJECT:**

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH GHD FOR THE DEVELOPMENT OF COMPREHENSIVE ASSET MANAGEMENT PROGRAM AND APPROVAL OF RESOLUTION NO. 22-033 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2021-22 BUDGET IN THE GENERAL FUND"**

**I. SUMMARY**

On December 21, 2021, the Public Works Department released a Request for Proposal (RFP) 21-041 for the development of a Comprehensive Asset Management Program. This Program will improve and enhance the city’s scheduled project designs, operations, maintenance, and compliance reporting efforts. Further, it will provide accurate data to enable City to make informed decisions on where to allocate improvement projects.

The RFP was advertised on Planet Bids. Over seven firms attended the pre-proposal meeting, but only one firm submitted a proposal. GHD was the firm that submitted a proposal and it was opened by the City Clerk on January 13, 2022; the proposal submitted meets the needs of the City (Exhibit No.1).

This effort will assist the Public Works Department in providing an analysis of all city-owned assets and rank them based on improvement requirements. Also, it will assist in effective maintenance and inspection cycles of city-owned facilities and streamline efforts in collecting data to reduce risk, prevent failures, and maximize staff labor.

Staff is recommending the approval of a two-year contract with GHD to develop a Comprehensive Asset Management Program for a not-to-exceed amount of \$853,968.00 (Exhibit No. 2).

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE a Professional Services Agreement with GHD for the development of a Comprehensive Asset Management Program for a negotiated fee not-to-exceed \$853,968.
2. AUTHORIZE the Mayor to execute the Professional Services Agreement following approval as to form by the City Attorney.
3. WAIVE further reading and ADOPT RESOLUTION NO. 22-033 "A RESOLUTION OF THE CITY OF CARSON CITY COUNCIL AMENDING THE FISCAL YEAR 2021-22 BUDGET IN THE GENERAL FUND" to appropriate \$853,968 toward the proposed Comprehensive Asset Management Program Professional Services Agreement (Exhibit No. 3)

## **III. ALTERNATIVES**

1. DO NOT APPROVE the Professional Services Agreement.
2. TAKE another action the City Council deems appropriate and consistent with the requirements of the law.

## **IV. BACKGROUND**

Public Works identified a need to develop a Comprehensive Asset Management Program. Public agencies implementing asset management programs have improved their capital improvements planning, maintenance activities, operations, and responsiveness to citizen requests.

Asset Management Programs are found throughout the public works industry. By collecting and maintaining data and inventory on current facilities and assets owned by the City, engineering and maintenance departments of Asset Management Programs can utilize insights into the lifecycles of various facilities and subsystems to optimize city operations.

The purpose of an Asset Management Program is to streamline Public Works efforts, enhance its maintenance and asset management practice, and maximize effectiveness and useful life of city owned facilities. This program will develop a comprehensive inventory of the City's assets; the complete inventory will allow the program to analyze each asset's life cycle, maintenance, and replacement needs and costs. The Asset Management Program will assist the Public Works Department with its Capital Improvement Program of projects and the planning of these projects.

By developing the assets database and conducting lifecycle analysis, the City will improve its maintenance and scheduling efforts. The consultant will select and integrate software platforms and develop a robust Computerized Maintenance Management Software (CMMS) system for the PW Department to utilize. The CMMS system will assist the Public Works Department in being proactive in improving, modifying, upgrading, maintaining and repairing assets.

GHD produced an initial Facilities and Maintenance Analysis report for the City in the spring of 2021 to assist in understanding the service-life of the city-owned mechanical equipment. This report identified some assets that were in critical need of repair and maintenance. GHD alerted the City of certain items that need repair through this report. The initial report was limited in scope, but it became evident that the City needs a working Asset Management Program.

The City released RFP 21-041 for the Development of a Comprehensive Asset Management Program that was advertised on Planet Bid on December 21, 2021. The City held a pre-proposal meeting attended by seven potential proposers. Only one proposal was received which was from GHD, and it was opened by the City Clerk on January 13, 2022. GHD's proposal was determined to be complete, responsive, and comprehensive, and it meet the needs and objectives of the City.

It is anticipated that development of a Comprehensive Asset Management Program will take two years to develop and implement. The development of the program has eight different objectives:

1. Understand the current state of the City's Infrastructure. Many of the City's facilities and assets are in unknown condition, which creates situations where the needs of those systems are not known and often present themselves in states of failure.
2. Provide Asset Management and asset lifecycle profiles. This will allow Maintenance and operations staff the ability to plan for future needs.
3. Utilize CMMS technology.
4. Understand the probability and consequence of failure of each asset class so that the City can minimize its overall risk profile.
5. Minimize the lifecycle cost by incorporating the latest technological advances, including restoration and monitoring strategies.
6. Develop a consistent and defensible methodology for prioritizing work and budget expenditures.
7. Develop a plan to focus on the high benefit-to-cost ratio to ensure resources are spent in the right place and time.
8. Create a transparent system that is easily understood to ensure alignment of asset management procedures and needs are meet.

Staff requests that the City Council approve the Professional Services Agreement with GHD for the preparation of City's Comprehensive Asset Management Program for a not-to-exceed amount of \$853,968.

## **V. FISCAL IMPACT**

Funds for this project were not included in the FY2021/22 budget; therefore, if the Professional Services Agreement is approved, the budget will need to be increased by \$853,968. Funds should be appropriated from the unreserved, undesignated general fund balance to account no. 101-80-820-100-6004.

## **VI. EXHIBITS**

1. GHD Proposal
2. GHD Contract
3. Resolution No. 22-033

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