



Legislation Details (With Text)

**File #:** 2022-162      **Version:** 1      **Name:**

**Type:** Consent      **Status:** Agenda Ready

**File created:** 2/24/2022      **In control:** City Council

**On agenda:** 3/15/2022      **Final action:**

**Title:** CONSIDER 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"

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. GHD proposal, 2. Contract GHD1, 3. Resolution No. 22-033

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

March 15, 2022

Consent

**SUBJECT:**

**CONSIDER 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 related to its physical assets. Further, it will provide accurate data to enable City to make informed decisions on where to allocate funding for improvement projects.

The RFP was advertised on Planet Bids. Seven firms (Cambridge Systematics; Cultivate Geospatial; HR Green; Facility Engineering Associates; Kitchell, CEM and JFC Associates; GHD Advisory; and, MASS Group) attended the pre-proposal meeting, but only one firm submitted a proposal. GHD was the only 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 required improvements. Also, it will assist the City by providing 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 \$71,164 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 using Asset Management Programs can utilize insights into the life cycles 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 practices, 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.

An initial Facilities and Maintenance Analysis report for the City in the Spring of 2021 was completed to assist in understanding the service-life of the City-owned mechanical equipment. This report identified several assets that were in critical need of repair and maintenance. The initial report was limited in scope, but it became evident that the City needed a full 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 which are as follows: Cambridge Systematics; Cultivate Geospatial; HR Green; Facility Engineering Associates; Kitchell, CEM and JFC Associates; GHD Advisory; and, MASS Group.

Only one proposal was received, 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 meets the needs and objectives of the City. GHD's proposal was for \$653,234, and included six general tasks:

Task 1: Asset Categorization

Task 2: Risk Prioritization

Task 3: Development of Capital Replacement Budget

Task 4: CMMS Software Evaluation

Task 5: Project Management

Task 6: Development of Strategic Asset Management Plan (SAMP)

As part of their proposal, GHD provided four optional tasks. Only two, which are related and intended to augment Tasks 1-6, were selected and negotiated as follows:

- Business Initiative Improvement Recommendations:
  - Capture and document business initiative improvements via staff and maintenance personnel input. Focus on cost effective activities that minimize O&M.
  - Develop a strategy by identifying roles and responsibilities, communication paths, and reporting protocols before the asset management plan is implemented. This ensures the greatest effect and impact of the Asset Management Program.
  - Rolling out the program to the organization and identifying goals.
  
- Risk Asset Management approach
  - Develop the maintenance strategy prioritizing risk and using all the information collected in the SAMP.
  - Develop executable, specific maintenance schedules, PM plans, inspection schedules and actions for the specific high-risk assets and equipment.
  - Provide City Staff the tools to implement the program.
  - Develop maintenance plan, inspection plan, and R&R plan ready to import into new CMMS and have the City's maintenance department ready to implement.

The two activities that were not chosen are the following:

- Strategic Asset Management Plan Implementation
- Strategic funding strategies

The additional fee for the optional tasks and efforts was negotiated for \$200,734, based on the hourly billing rates provided in GHD's proposal. It is anticipated that development of a Comprehensive Asset Management Program will take two years to develop and implement.

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

## **V. FISCAL IMPACT**

The development of Comprehensive Asset Management Program is a multi-year project spanning 24 months. The total project cost is estimated to be \$853,968.00. Funds for this project were not included in the FY2021/22 budget; therefore, if the Professional Services Agreement is approved, the FY2021/22 budget will need to be increased by \$71,164. The remaining contract amount of \$782,804 will need to be encumbered over fiscal years FY2022/23 for \$426,985 and FY2023/24 for \$355,819. There is no need to budget the full amount in the current year's budget.

## **VI. EXHIBITS**

1. GHD Proposal (pgs. 5 - 82)
2. GHD Contract (pgs. 83 - 124)
3. Resolution No. 22-033 (pgs. 125 - 126)

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