



## Staff Report

**File #:** 16-680A, **Version:** 1

**Agenda Date:** 6/21/2016

Approved by the Board of County Commissioners on June 21, 2016

**Subject:**

Purchase Authorization with Woolpert, Inc. to implement the Cityworks Enterprise Asset Management Solution.

**Recommended Action:**

Approve the purchase authorization with Woolpert, Inc. (Woolpert) to implement the Cityworks Enterprise Asset Management (EAM) Solution.

This action also includes the purchase of Cityworks licenses, maintenance and support from Azteca Systems, Inc. (Azteca).

Contract no. 156-0032-G(RG); EAM implementation in an amount not to exceed \$5,047,551.94; pricing per General Services Administration (GSA) contract GS-35F-0425P.

Contract no. 156-0399-A; Cityworks Licenses, maintenance and support in an amount not to exceed \$1,040,000.00.

Chairman to sign and Clerk of Court to attest.

**Strategic Plan:**

Create a Quality Workforce in a Positive, Supportive Organization

1.3 Make workforce safety and wellness a priority

Ensure Public Health, Safety, and Welfare

2.5 Enhance pedestrian and bicycle safety

Practice Superior Environmental Stewardship

3.1 Implement green technologies and practices where practical

3.2 Preserve and manage environmental lands, beaches, parks and historical assets

3.4 Reduce/reuse/recycle resources including energy, water, and solid waste

Foster Continual Economic Growth and Vitality

4.4 Invest in infrastructure to meet current and future needs

Deliver First Class Services to the Public and Our Customers

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

5.4 Strive to exceed customer expectations

**Summary:**

This request provides for the purchase of software and implementation services pertaining to the

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Azteca Cityworks Asset Management System (AMS), as the County's EAM solution. The primary objective is to replace existing disparate asset/work management systems with an enterprise-wide technology solution that will provide the County with an opportunity to reduce operating costs, increase efficiencies, and improve the delivery of services by standardizing documented business processes. Additionally, the system will extend the life cycle of assets, increase cost avoidance opportunities, and drive the prioritization and decision-making for capital improvement projects through risk assessment and management.

**Background Information:**

On September 24, 2015, the Board of County Commissioners (Board) authorized staff to cancel negotiations with Timmons Group Inc. for the implementation of an EAM system and to proceed with the purchase of the Azteca Cityworks software directly from the manufacturer (Azteca), as well as to procure the implementation services of the Cityworks solution separately, through an existing government or cooperative contract. Azteca Cityworks software was selected through a prior competitive process.

In October 2015 staff contacted Woolpert and requested a proposal for implementation services per General Services Administration (GSA) contract. Staff has engaged in meetings and workshops with Woolpert to develop a detailed statement of work (SOW), which will set the foundation for the Cityworks software implementation and to establish an International Standards Organization (ISO) 55000 Asset Management Program (AMP).

Asset Management is a documented systematic process where assets, valued by the organization, are effectively and efficiently managed during their entire life cycle (cradle to grave). It is estimated that the total value of County infrastructure and assets is more than \$4 billion. The EAM implementation will result in an integrated enterprise system utilized by five (5) County departments including: Parks and Conservation Resources, Public Works, Real Estate Management (including Fleet Management), Solid Waste and Utilities. The desired result is to create a culture of continuous improvement and execute a consistent business approach for asset preservation.

The AMP philosophy provides a "decision support process" based upon execution and continuous refinement of maintenance and investment strategies to ensure desired levels of service and asset availabilities are achieved. The process relies on data, data integrity, and analytics to identify best business practices for optimal long-term performance. While AMP does take time to implement, its benefits accrue over many years and include: an organizational cultural shift to maximize asset life through preventive and predictive maintenance, lower operating costs through reduced corrective maintenance, and an improved customer experience with maximized asset availability. Ultimately, the Board will benefit from informed capital improvement program decision making, balancing risk and cost, through transparent data analytics and condition assessment forecasting.

The overall implementation schedule is estimated to be forty-six (46) months and consists of two (2) distinct phases. Phase 1 represents approximately two-thirds of the resource allocation including the planning and core system design configuration. The cost and schedule to complete Phase 1 is \$6,087,551.94 and thirty (30) months. Phase 2 includes advanced system configuration and functionality, and deployment. The costs and final schedule for Phase 2 will be developed and defined during Phase 1 and will be brought before the Board for consideration and approval. The

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estimated cost and schedule to complete Phase 2 is \$1,500,000 and sixteen (16) months, respectively.

Pricing for the Cityworks software licenses, maintenance and support services were negotiated directly with Azteca, the manufacturer and sole provider of the software.

The implementation of Asset Management, as a philosophy and enterprise program requires organizational culture adoption. To sustain both short and long-term successes a documented program that provides the framework to operate within is vital.

The EAM Project Team (Team) developed and documented a robust and detailed Asset Management Business Case (attached). The Team gained valuable information from worldwide experiences by those that have already implemented Asset Management. The Business Case includes; strategy alignment, qualitative and quantitative benefits, technology impacts, business risks, financial risks, organizational impacts, technology and business costs, and overall project benefits. The Business Case determined that the implementation of EAM was identified as “Low Risk and High Value” to the organization.

The Business Case provides compelling and sound reasoning as to the benefits of implementing EAM. The current annual cost for asset management software is \$125,000, but most software systems are unsupported. The Business Case indicates a three percent (or \$8.76 million) reduction in annual operating costs of the five departments, which currently total approximately \$292 million. The net result demonstrated, after a four-year implementation period and the organization operating from within the ISO 55000 Program principles, the that the Return on Investment (ROI) turns positive beginning at year seven (7). With the organizational adoption of the new way of “doing business”, there will be many opportunities for gains in efficiencies, savings, reinvestments, and asset preservation.

The initial investment of approximately \$16.4M dollars to implement and deploy EAM, when compared to the total County assets value of \$4 billion, equates to less than one-half of one percent (<0.5%) investment.

**Fiscal Impact:**

Phase 1 EAM Implementation services not to exceed \$5,047,551.94

- Implementation services - \$4,085,866.94
- Travel expenses - \$211,685.00
- Unspecified (owner directed contingency funds) \$750,000.00

Cityworks license, support and maintenance services not to exceed \$1,040,000.00

- Year 1 - \$180,000.00
- Year 2 - \$200,000.00
- Year 3 - \$220,000.00
- Year 4 - \$220,000.00
- Year 5 - \$220,000.00

Total Phase 1 EAM Project expenditure not to exceed \$6,087,551.94

EAM Project Funding is derived from a combination of General, Special Revenue and Enterprise Funds based upon user population (stakeholders) in each department that would be its primary user as a basis for the allocation of costs. This funding strategy will be utilized to identify and associate the costs between the General Fund, Special Revenue Funds and Enterprise Funds.

This funding will be transferred to the BTS fund via Intergovernmental Charges, and tracked in the BCC Strategic Projects cost center.

**Staff Member Responsible:**

Paul Sacco, Chair, EAM Executive Coordination Committee

Marty Rose, Chief Information Officer, Business Technology Services Department

Jim Fletcher, EAM Program Sponsor

Joe Lauro, Director, Purchasing Department

**Partners:**

N/A

**Attachments:**

EAM Standard Services Agreement

Cityworks License Agreement

EAM Business Case