

**Board Report**

File #: 2019-0373, **File Type:** Contract

Agenda Number: 25.

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
JULY 18, 2019**

SUBJECT: ENTERPRISE ASSET MANAGEMENT SYSTEM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. ESTABLISHING a Life of Project (LOP) Budget for the Enterprise Asset Management (EAM) Project, capital project number 207155, in the amount of \$45,800,000;
- B. AUTHORIZING the Chief Executive Officer to award a 37-month, firm fixed price Contract No. PS51755000 to 21Tech LLC, in the amount of \$10,205,207 for the Enterprise Asset Management System Software Acquisition and Software Support Services, subject to the resolution of any properly submitted protest(s), if any; and
- C. APPROVING Contract Modification Authority specific to Contract No. PS51755000 in the amount of \$2,041,041 or 20% of the total contract value, to cover the costs of any unforeseen services or license fees that may be necessary to complete this phase of the project.

ISSUE

The Maintenance and Materials Management System (M3) is a mission critical system with over 3,200 daily users. M3 is used extensively across Metro for Work Management, Maintenance and Repair of Assets, Material Management, Incident Tracking, and Timekeeping for operational employees. The 15 years old system is no longer supported by the software vendor. In addition, it does not comply with some of the critical functionality now required for meeting the Federal "Moving Ahead for Progress in the 21st Century Act" (MAP 21 State of Good Repair) requirements.

This Contract is for the acquisition of the core Enterprise Asset Management System (EAMS) software as well as the installation and demonstration of its initial/provisional acceptance by Metro. The Contractor is also responsible for the integration of third-party software proposed as part of their solution.

The LOP Budget includes the purchase of software and related support services (Phase 1), a Contract for a Systems Implementation, Integration and Business Process Services Provider (Phase

2) and the hardware and internal resources required to complete the three-year project.

Approval of the LOP Budget, award of the Contract for Phase 1, and Contract Modification Authority will allow Metro to replace the current legacy-based M3 system and provide a scalable technology to support Metro's expanding transit services with the tools needs to comply with MAP 21 State of Good Repair.

BACKGROUND

In November of 2017, the Metro Board of Directors was notified of Metro's assessment of the M3 system and intent to proceed with the procurement of a replacement EAM system. As the software is no longer supported or maintained by the vendor, the current EAM (M3) system is an aging technology application impacting employee productivity, operations, maintenance expenses, and the ability to create data-driven maintenance strategies.

Metro intends to replace the current M3 system with a modern Commercial Off-the-Shelf (COTS) EAMS solution that includes:

- Implementing a new, modern transportation asset management software solution with comprehensive functionality including linear asset management, GIS, and mobility features.
- Implementing updated business processes across all functional areas that, when coupled with the EAMS software, will result in more efficient operations (i.e., improved productivity) and more effective asset management while enhancing data quality using industry-accepted asset classification schemes and hierarchy structures; refinement of location hierarchy and location codes; including asset condition scoring readily accessible by management for improved decision making and regulatory reporting.

DISCUSSION

Staff is requesting approval for a LOP of \$45,800,000 be established to replace the current M3 System and implement business process improvement relating to the new system. The LOP will include the contract for software and services (Contract No. PS51755000), internal labor, hardware needed to support the system and contracting with a Business Systems Implementation and Integration Service provider to determine and implement a comprehensive EAMS solution using the selected EAMS software and to develop and prepare improved standard operational processes based on industry best practices.

The Phase 1 Contractor's primary focus is to deliver and install the proposed core EAMS software and provide support for the software during the contracted term which will cover some or all of the overall EAM Program timeline. Per Metro's requirements, the Contractor will provide (a) software acquisition/licensing, (b) software technical support, (c) development, testing and documentation for interfaces between core EAMS software and the proposed third party software (TPS), (d) technical training aids/documentation to be included in the conduct of training sessions, and (e) development, testing and documentation for selected custom functionality (by Metro Task Order, if applicable).

DETERMINATION OF SAFETY IMPACT

The approval of this capital project and contract award will have a direct and positive impact to safety, service quality, system reliability, performance, and overall customer satisfaction.

FINANCIAL IMPACT

Adoption of Recommendation will establish an LOP budget of \$45.8 million for this project in Cost Center 9210 - Information Management, Capital Project 207155 - Enterprise Asset Management System Replacement (EAMS Project).

The \$4,200,000 for EAM Software Acquisition and Software Support Services is included in the FY20 budget under several accounts in Cost Center 9210 in Project 207155 - Enterprise Asset Management System Replacement (EAMS Project).

Since this is a multi-year contract, the project manager and cost center manager will be accountable for budgeting the cost in future fiscal years.

Impact to Budget

The initial source of funds for Capital Project 207155 Enterprise Asset Management System is TDA-4 for which is a State Funding Source.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goal #1) to provide high-quality mobility options that enable people to spend less time traveling and #5) to provide responsive, accountable and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

The alternative is not to approve the LOP or award the Contract for the EAMS System risking our ability to meet Federal MAP 21 State of Good Repair requirements and resulting in the continued use of the M3 software which is not supported and does not optimize maintenance and operational activities.

NEXT STEPS

Upon approval by the Board, Staff will execute Contract No. PS51755000 with 21Tech LLC for the EAMS Software Acquisition and Software Support Services and will release a Request for Proposals (RFP) for Phase 2 of the EAM Project for the System Implementation, Integration and Business Process Services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - DEOD Summary
Attachment C - Capital Project 207155

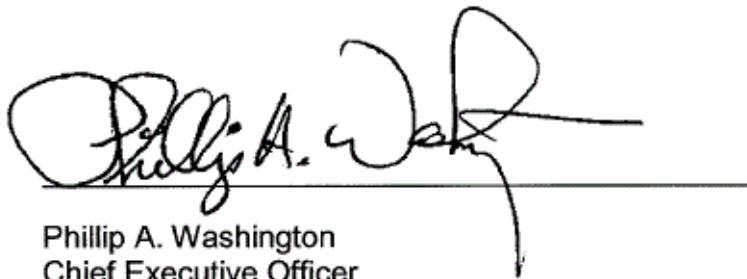
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