



Board Report

File #: 2020-0188, File Type: Contract

Agenda Number: 25.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE SEPTEMBER 16, 2021

SUBJECT: ENTERPRISE ASSET MANAGEMENT SYSTEM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

CONSIDER:

- A. INCREASING the phased Life of Project (LOP) budget for the Enterprise Asset Management (EAM) Project, capital project number 207155, by \$22,950,000 from \$45,800,000 to \$68,750,000 to support Phase 2; and
- B. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract No. PS75040000 to KPMG LLP for the Enterprise Asset Management System (EAMS) Implementation Services, in the amount of \$36,525,318 for the 36-month base term, and for three options for annual assessments following implementation in the amounts of \$586,974.40 for the first assessment, \$395,138.64 for the second assessment, and \$227,875.28 for the third assessment, for a combined total amount of \$37,735,306.32, subject to the resolution of protest (s), if any.

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 system is over 15 years old and is no longer supported by the software vendor. M3 does not provide critical functionality now required to meet the federal State of Good Repair (SGR) requirements.

An LOP increase and award of the contract for the Enterprise Asset Management System (EAMS) Implementation Services is required to implement and integrate the new software system, develop the business processes improvements, and migrate Metro staff onto the new EAM solution.

BACKGROUND

In November of 2017, the Metro Board of Directors was notified of Metro's assessment of the M3 system and intent to procure a replacement EAM system. As the software is no longer supported or maintained by the vendor, the current M3 System is an antiquated technology application impacting employee productivity, operations, maintenance expenses, federal SGR reporting, and the ability to create data-driven, real-time maintenance strategies.

In July of 2019, the Metro Board of Directors authorized the CEO to award contract PS51755000 to 21Tech LLC for the EAM System Software Acquisition and Software Support Services and established an LOP (Board Report Number 2019-0373) for Phase I. A hybrid solution of the Infor EAM software supplemented by the cloud-based Bentley AssetWise software was selected as the best software solution in the Enterprise Asset Management industry that would meet Metro's requirements. Bentley AssetWise software is an analytical tool that supports rail infrastructure assets throughout their lifecycles.

Phase I

Phase 1 of the EAMS project included (a) software acquisition/licensing, (b) software technical support, (c) development, testing, and documentation for integration between core EAMS software and supporting software applications from Infor and Bentley Systems, (d) technical training aids/documentation to be included in the conduct of training sessions, and (e) development, testing and documentation for selected custom functionality. The software solution has been installed and tested on five environments, including testing, development, production (etc.)

In FY20 and FY21, Metro expended \$13.3 million on the software, hardware, and internal labor for the EAMS system, a critical tool necessary to meet SGR commitments and manage over 521,000 assets. Ultimately, this system will replace our current obsolete 15-year old M3 system, no longer supported by the OEM, and used daily by 3,200 employees.

DISCUSSION

Phase 2

Metro has purchased and installed the EAMS solution as part of Phase 1 and now will be moving into Phase 2, including system implementation, integration, and business process engineering services. Award of this contract will implement the new, modern and fully integrated EAMS with comprehensive functionality, which will also include linear asset management, GIS, and more mobile capability. The services include implementing updated business processes across 14 functional business areas within Metro that with the EAMS software, will result in a more robust and 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. Other services included in Phase 2 include configuring and building interfaces to existing Metro systems, data conversion, testing configuration and interfaces, organizational change management, and delivering a comprehensive training program. The Phase 2 contractor will be responsible to lead Metro in changing and modernizing the current business processes to incorporate industry best practices and improve the degree of business process automation.

The LOP Budget increase includes additional funds needed for the system implementation contract (Phase 2) and the hardware and internal labor resources required to complete the implementation through FY25.

The initial LOP budget request was preliminary prior to finalization of the Phase 2 scope of work and was based on research and general market surveys for a single procurement of software and services. However, there were not many comparable projects of similar size and complexity that had been completed in North America. The procurement was separated with the intention of obtaining the best-in-class software and best-in-class implementer.

The requested LOP budget increase includes an additional \$4.6 million for internal labor and \$1.9 million for software maintenance/licensing due to an extended project timeline from a re-bid of the Phase 2 contract and

delays from Covid-19. An additional \$16.5 million is needed for the award of the EAMS Implementation Services contracts and the optional assessments. The level of effort for interfaces, configuration, and training/change management required a higher level of effort than initially estimated.

The EAM system will be a critical tool used by 14 Metro business units comprised of 3,200 Metro employees and was selected to meet a comprehensive list of 1,981 functional requirements as set forth in the RFP.

DETERMINATION OF SAFETY IMPACT

The approval of the contract award and LOP increase will have a direct and positive impact on safety, service quality, system reliability, performance, and overall customer satisfaction.

FINANCIAL IMPACT

Adoption of Recommendation A will increase the LOP budget from \$45,800,000 to \$68,750,000 for this project in Cost Center 9210 - Information Management, Capital Project 207155 - Enterprise Asset Management System Replacement (EAMS Project). The additional LOP budget will cover expenditures through FY25.

The funding of \$10,644,594 for the EAM System Implementation Services is included in the FY22 budget under account 50316, 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. Additionally, an annual review of availability of funds, project progress and potential areas of project scope reduction will be performed within the EAMS governance structure prior to proceeding each fiscal year.

Impact to Budget

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

Equity Platform Section

The EAM system will enable Metro to improve asset management and planning throughout the agency, improve FTA/NTD reporting as well as enhance predictive and preventative maintenance and inspections required for regulatory compliance. As a result of better capital planning and improved maintenance of our assets, Metro will provide a safer and more reliable transit system for all. Improved analytics, tracking and reporting provided by the new EAM system will also help ensure that Metro's assets are equally maintained regardless of service area or community.

All roll-out schedule has not been finalized however a priority will be given to business units with assets utilized and relied on by Equity Focused Communities to ensure there are no negative impacts to marginalized groups that will ultimately receive the output of this system.

This was an open solicitation and included a Small Business Enterprise (SBE) goal of 17%, a Disabled Veteran Business Enterprise (DVBE) goal of 3% For the system implementation services contract, the Contractor has made a 34.02% SBE commitment and a 3.00% DVBE commitment.

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 increase or award the Contract for the EAMS System which will risk our ability to implement the system needed to meet federal State of Good Repair requirements and will result in the continued use of the M3 software which is not supported and does not optimize maintenance and operational activities. Additionally, \$13.3 million has already been expended on the software acquisition including licensing, installation, internal labor, software maintenance and release management.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. PS75040000 with KPMG LLP to implement the new EAMS.

Metro has purchased Bentley AssetWise, a gold-standard software for linear asset management, as part of the new EAMS solution. AssetWise is a railway decision support system that enables proactive management for linear railway assets. Bentley Systems, Inc. is the sole software publisher and implementer of its proprietary, closed-source software products. Negotiations with Bentley Systems are ongoing and will be concluded in the immediate future. Staff is proceeding with the contract award for System Implementation services to KPMG to minimize project delays. Staff will return to the Board to request approval for the implementation services for the Bentley AssetWise portion of the software solution. The expected cost for Bentley is included in the LOP budget increase request and will be part of the annual review of funding and project progress.

ATTACHMENTS

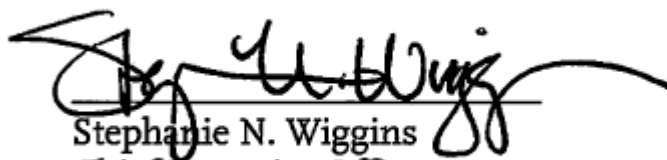
Attachment A - Procurement Summary

Attachment B - DEOD Summary

Attachment C - Phase 1 EAMS Board Report (2019-0373)

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