

MOTION NO. M2011-73
Asset Maintenance Management Software and Services Contract

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	10/27/11	Final Action	Brian McCartan, CFO Michel Danon, CIO	206-398-5082 206-398-5170

PROPOSED ACTION

Authorizes the chief executive officer to execute a contract with AssetWorks for asset maintenance management software licensing, maintenance, and implementation services in the amount of \$2,320,358, with a 15% contingency in the amount of \$348,054, for a total authorized contract amount not to exceed \$2,668,412.

KEY FEATURES

- Sound Transit is actively implementing a Capital Asset Management Program (CAMP) to manage the agency's capital assets. The Maintenance Management System (MMS) is a key element of the CAMP.
- The contract scope includes software licensing and maintenance through November 2016. The scope also includes implementation services for two years to implement the system agency wide.
- The MMS is the first phase of the technology for the CAMP. Future phases not included in this contract's scope include data warehousing, life cycle costing, and long term replacement planning to implement comprehensive Enterprise Asset Management functionality.
- After five years, procurements for additional licensing and annual software maintenance are expected to be awarded on a proprietary basis, because the software application is proprietary and available only through AssetWorks.
- To control future costs due to the addition of future new assets, staff negotiated discounted pricing to extend through 2023. This long-term pricing significantly reduces future license acquisition costs, as well as ongoing software maintenance costs.
- The total five-year cost of the new MMS is \$3.9M, which includes ongoing operating costs following the initial implementation.

PROJECT DESCRIPTION

To assure accountability and responsible stewardship of publicly-owned assets, Sound Transit is developing and implementing a strategic approach to managing transit infrastructure through the CAMP. Main elements of the program include implementing the MMS and strengthening the related business practices and functions around the new system. The MMS will track maintenance of capital assets across the agency, including Link, Sounder, ST Express, facilities, non-revenue fleet, ticket vending machines, and public art assets.

In September 2010, the agency issued an RFP for asset maintenance management software. Six proposals were received and two finalists were evaluated through extensive testing, reference checking and site visits. AssetWorks is widely used in the public transit sector and was determined to best meet the agency's pricing and functional requirements.

The RFP was developed using a total cost of ownership approach. Total cost of ownership attempts to minimize the lifecycle costs of purchasing and owning the software. Bidders were

evaluated on total cost to implement and maintain the system. Staff negotiated long-term pricing through 2023 for software licensing with AssetWorks.

The total estimated five-year cost for the MMS is \$3.9M. Costs include the AssetWorks contract authorized under this action, and a new two-year term limited FTE position to serve as project manager. Costs also include computer hardware, software development services to integrate the agency ERP with the new MMS, and professional services to backfill staff heavily allocated to the project. The \$3.9 million project in the Proposed 2012 TIP includes funds for a project manager, which was originally assumed to be a consultant. However, it has been determined that it would be more cost effective to fund a two-year term limited FTE position to serve as project manager.

The on-going long-term costs of the MMS system include an average \$105,000 annual licensing cost of the software and at least one FTE in the Information Technology division to maintain the system. The Board-adopted 2011 budget includes the FTE. In addition, the system will require personnel within the Operations Department to input, maintain and analyze maintenance data.

FISCAL INFORMATION

The two-year project budget to implement the MMS enterprise wide is \$3.5M. Costs for comparable MMS implementation projects at other transit agencies such as Denver RTD, MARTA, CTA, and MBTA range from \$3M-\$9M. Sound Transit was awarded \$1.5M under the FTA State of Good Repair grant program to help implement a Maintenance Management System. All costs are assumed within the Board Adopted 2011 Budget, the Proposed 2012 Budget and 2010 Transit Improvement Plan.

Budget Table

Action Item: AssetWorks for Maintenance Management software licensing, software maintenance, and implementation services contract for IT Hardware/Software

(Year of Expenditure \$000)

Administrative Capital	Adopted 2011 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
Admin Facilities/Equipment./Furniture	3,976	1,625	0	1,625	2,351
Future Program Allocation	425				
IT Hardware/Software	23,595	3,471	2,668	6,139	17,456
Non-revenue Fleet	1,620	253	0	0	0
Other	12,122	0	0	0	12,122
Total Current Budget	41,738	5,349	2,668	7,764	31,929

IT Hardware/Software Detail

AssetWorks for Maintenance Management	3,948	0	2,668	2,668	1,279
ST Network Communications Systems	2,458	2,458	0	2,458	0
Other	17,189	1,012	0	1,012	16,177
Total IT Hardware/Software	23,595	3,471	2,668	6,139	17,456

Contract Amount	Board Approvals to Date (F)	Current Approved Contract Value (G)	Proposed Action (H)	Proposed Total for Board Approval (I)
Contract Amount	0	0	2,320	2
Contingency	0	0	348	0
Total Contract	0	0	2,668	3
Percent Contingency	0%	0%	15%	15%

(A) ADOPTED 2011 BUDGET amounts as adopted by resolution of Sound Transit Board (R2010-24, approved 12/16/2010).

(B) COMMITTED TO DATE amounts are from Link WBS Report as of August 2011 + approved and pending board actions not recorded as of 8/31/11, or submitted after that date, and include allocated contingencies.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

185 employees; 38% women or people of color; 26% women.

BACKGROUND

The MMS will be utilized to maintain agency assets at a level that will minimize future maintenance and replacement costs and maximize service reliability, performance and accountability.

To mitigate the risk of scope and schedule changes that may impact project costs, a 15 % contingency has been added to the contract. The amount of contingency is based on the complexity of the project. Large, enterprise-wide software implementation projects such as this new MMS system are highly complex, long term projects with a high level of design variables and risks. The complexity of implementing these systems has been verified by numerous transit agencies during reference checks.

ENVIRONMENTAL COMPLIANCE

SSK 10-21-11

TIME CONSTRAINTS

A delay of one month would not significantly impact the overall two-year implementation project.

PUBLIC INVOLVEMENT

Not applicable to this action

LEGAL REVIEW

JW 10-21-11

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BACKGROUND:

To assure accountability and responsible stewardship of publicly-owned assets, Sound Transit is developing and implementing a strategic approach to managing transit infrastructure through the Capital Asset Management Program (CAMP). Main elements of the program include implementing the maintenance management system (MMS) and strengthening the related business practices and functions around the new system. The MMS will track maintenance of capital assets across the agency, including Link, Sounder, ST Express, facilities, non-revenue fleet, ticket vending machines, and public art assets.

The MMS will be utilized to maintain agency assets at a level that will minimize future maintenance and replacement costs and maximize service reliability, performance and accountability.

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a contract with AssetWorks for asset maintenance management software licensing, maintenance, and implementation services in the amount of \$2,320,358, with a 15% contingency in the amount of \$348,054, for a total authorized contract amount not to exceed \$2,668,412.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on October 27, 2011.



Dave Enslow
Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator