

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**April 14, 2014**

**Approval for the Reliability Centered Maintenance  
Training, Consulting, and Software Evaluation**

**Synopsis**

The Board of Directors is requested to approve the Reliability Centered Maintenance (RCM) Training, Consultation, and Software Evaluation to Asset Performance Group.

**Background**

The proposed Reliability Centered Maintenance Program (RCM) was presented to the Board of Directors at the September 9, 2013 meeting. The presentation described the District's current maintenance philosophy and how over time the evolution of our maintenance goals have become more predictive in nature. The possible merits of RCM were discussed and how the District could implement such an approach. A midyear review of the Fiscal Year 2014 budget was presented to the Board of Directors at the February 10, 2014 meeting. Within the review, it was noted that the Finance Oversight Committee supported staff's recommendation to move forward with the current budget with only one additional request, which was the Reliability Centered Maintenance (RCM) pilot program and training at a cost of \$41,000. The Board of Directors approved the recommendation.

**Issues**

District staff assembled a statement of qualifications and request for proposals in order to find qualified firms who could provide the RCM services required. Statements of Qualifications were sent out to four known firms that provides these services. An advertisement was also placed in the Daily Territorial on March 25, 2014 and ran for four consecutive days. Statements of Qualifications were due on April 7, 2014. The statement of qualifications asked for submittals on items such as the firm's staff qualifications, experience in RCM and asset management, project understanding, and availability to perform the work within the requested time frame.

The proposal was broken down into four areas: RCM Training, RCM Variants, the Pilot Study, and Software Consultation. The RCM Training is the primary focus to ensure District staff is properly trained in the methodology and procedure of using RCM. The proposal requirements included training for up to ten staff. Since the RCM is used in many different industries, there are variants of RCM that can be geared more specifically for the needs of one industry. The training for the RCM Variants in the proposal requirements would assist in focusing RCM to the District-specific needs. The Pilot Study would take a specific District asset type and work

directly with the firm to develop the specific RCM maintenance protocols for that asset such as well maintenance. This would provide immediate hands-on use of the RCM training and guidance from the firm utilizing historical District data and knowledge. The Software Consultation is for assistance from the firm to determine the best software for the District to use in applying the RCM methodology or asset management. There are numerous types of software on the market with a wide range in price as well as functionality. It is important that the District utilize software that is geared for the type of assets and work that the District has as well as meeting realistic costs.

Two companies submitted SOQs: Asset Performance Group and Reliasoft. District staff scored each firm on a point system for each category identified in the SOQ. The results of the scoring are as follows:

SCORE TABULATION					
Firm	Reviewer "A"	Reviewer "B"	Reviewer "C"	Score	Rank
Asset Performance Group	78	77	90	245	1
Reliasoft	71	73	92.5	236.5	2

Asset Performance Group received the highest average score from the reviewers with Reliasoft receiving the second highest score. The highest ranking firm, Asset Performance Group, is a large multinational consulting firm with its office located in Calgary, Canada that has been in business for six years. The Asset Performance Group has performed similar RCM training with a number of Canadian water and waste water firms. The second highest ranking firm, Reliasoft, is a reliability engineering software firm that was incorporated in 1992 and is located in Tucson, Arizona.

Both firms provided proposal pricing on the items as requested; however, the cost proposals for all the tasks exceeds the District's funding. Both firms were competitive in the RCM training costs. Asset Performance Group proposed \$12,500 for the training; however, will have additional travel expenses. Staff is estimating the travel expenses for the training phase to be approximately \$5,000 bringing Asset Performance Group's training cost to \$17,500. Reliasoft's proposal for training is \$15,950. The costs are comparative; however, the District is also concerned that the training will have an emphasis on the use of Reliasoft's software.

The pilot study cost from Asset Performance Group was \$37,700 plus travel expenses. Reliasoft's proposal for the pilot study was \$30,000. After discussion with staff, it was determined that the cost of the pilot study may not be advantageous. Part of the concern is that the pilot study would require the use of historical data and staff knowledge to be effective. The detail of the historical data may not be adequate to receive the product results. Staff is recommending that the pilot study be omitted and re-evaluated in the future. The long term use of the RCM methodology will allow staff to use the process as the data is generated and develop the maintenance process in-house.

The last part of the proposal was to provide consulting services to help the District determine the appropriate RCM or Asset Management software to best implement and maintain the RCM information and integrate, as needed, with the other District utilized software platforms. Asset Performance Group quoted \$19,300 plus applicable travel expenses, estimated at \$3,000, for the software evaluation to provide the District with the appropriate recommendations in software. Reliasoft did not provide a proposal cost for this as the only software they refer to is their own. The Reliasoft software may be the appropriate software; however, the District has nothing to compare it to. Having Reliasoft perform this work would not provide the opportunity to evaluate what software is best to select for the District, which is critical to this program's success.

Since training cost are relatively the same (Asset Performance Group approximately \$17,500 compared with Reliasoft at \$15,950) and because Reliasoft is unable to provide a suitable software evaluation for the District, staff is recommending the Asset Performance Group be awarded the work for the RCM training, RCM variants, and the software evaluation. It is recommended that the pilot not be performed at this time. Staff is estimating that the travel expenses for different tasks described will be approximately \$8,000 bringing the total cost with Asset Performance Group to \$38,300; however, the exact overall cost will be determined when the dates of the training and deliverables are negotiated with Asset Performance Group.

### **Staff Recommendation**

It is recommended that the Board of Directors approve the selection of Asset Performance Group to provide the RCM training, RCM Variant training, and Software Evaluation for a not to exceed amount of \$41,000.

### **Suggested Motion**

I move to approve the selection of Asset Performance Group to provide the RCM training, RCM Variant training, and Software Evaluation for a not to exceed amount of \$41,000.

Respectfully submitted,

Steven D. Shepard,  
Utility Superintendent

I concur with the above-noted recommendation.

Respectfully submitted,

Joseph Olsen, P.E.  
General Manager