



Agenda Item No. \_\_\_\_\_

File Code No. 540.13

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 25, 2011

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Contract For Capital Asset Management Support Services For El Estero Wastewater Treatment Plant

### **RECOMMENDATION:**

That Council authorize the Public Works Director to execute a contract with Carollo Engineers, Inc., in the amount of \$223,927 to provide capital asset management support services for the El Estero Wastewater Treatment Plant, and authorize the Public Works Director to approve expenditures of up to \$24,881 for extra services of Carollo Engineers, Inc., that may result from necessary changes in the scope of work, for a total not-to-exceed amount of \$248,808.

### **DISCUSSION:**

El Estero Wastewater Treatment Plant (El Estero) cleans approximately 8.5 million gallons of wastewater each day. Originally constructed in 1952, a majority of the current infrastructure was constructed in 1978 to meet 1972 Clean Water Act requirements. While many capital improvements have been made to El Estero in its 59 years of operation, El Estero requires continual maintenance and refurbishment due to the nature of its operations and its age.

El Estero staff has developed a capital asset management system to ensure that these important activities are performed in a timely and cost-effective manner. The strategy of managing capital assets to minimize costs was first developed in Australia. Capital asset management has since been embraced by utilities around the world as an effective approach to maintaining critical equipment and minimizing costs, while maximizing equipment performance. Fundamental to any capital asset management program is a systemized preventative maintenance approach that effectively manages remaining capital asset life. A sound capital asset management program can result in significant savings to a utility.

On July 12, 2005, Council first awarded a contract to Linjer, Inc. (Linjer) who continued to provide professional services to El Estero staff through subsequent contract phases that were approved by Council on December 5, 2006; on September 23, 2008; and

again on July 7, 2010. This contract work included initial capital asset system gap analysis reporting, asset identification and documentation, development of a maintenance work order system, and prioritized scheduling of capital improvement projects' construction. The more recent focus of this project has been on the development of an inventory management system to maintain critical parts for El Estero's capital assets.

On May, 26, 2011, City staff updated the scope of work required for the next phase of the project and decided to go out to bid for these services to obtain updated competitive pricing. The one-year contract's updated scope of work includes the provision of Computer Maintenance Management System application and underlying database maintenance support services; project management and implementation of the existing Asset Management Plan's (AMP) Inventory Management component currently under development; optimization of AMP's existing business and work practices; and AMP training and documentation development for El Estero's maintenance and operations personnel.

Requests for proposals were sent to twenty-one firms. Carollo Engineers, Inc. and Brown and Caldwell were the only two firms to submit proposals. Carollo Engineers, Inc. was selected to provide this scope of work. They have provided similar services for numerous other public wastewater agencies with similar asset management support needs. Staff requests that Council authorize the Public Works Director to execute the new contract.

**BUDGET/FINANCIAL INFORMATION:**

This project was anticipated and there are adequate appropriated funds in the Wastewater Capital Fund for this work.

**PREPARED BY:** Chris Toth, Wastewater System Manager/avb

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office