



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Details (With Text)

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9/19/2022	1	City Council Workshop	Informational: no action required	

**Workshop Item** *Shawn Smith, Public Works Asset Manager*

### Title

## Enterprise Asset Management Software (EAMS) Search and 2023 Budget Update

### Background

The purpose of this item is to provide Council an update on the Enterprise Asset Management Software (EAMS) search and the associated capital equipment budget request as part of the 2023 budget.

During the 2021 budget process to establish the 2022 general fund budget, general levy, enterprise funds budgets, and enterprise fund user rates, staff introduced the concept of a Computerized Maintenance Management System (CMMS) also known as an Enterprise Asset Management System (EAMS). For the purposes of this and future discussions staff will use EAMS in both written documentation and oral discussion. These types of systems are increasingly critical for managing all the important assets of a city. Later in this document an overview of EAMS is provided.

As part of the budget process, staff provided an updated budget request to council at the October 30, 2021 winter retreat related to the EAMS system (then referred to as the CMMS). The request was changed from a full acquisition and implementation of the software to a needs assessment and RFP development. At that time the estimated cost to hire a contractor for these activities was \$34,000, which was approved for inclusion in the 2022 General Fund budget and 2022 Utilities Funds budgets at the December 18, 2021 Council Meeting.

Initially, the purchase and implementation of an EAMS was intended to manage Public Works assets and operations. As the year progressed, the discussion was broadened to include cross-functional teams including Finance, GIS, Planning, Building Inspections, Facilities Management, and the Police Department. The full list of engaged partners is in the attached Request for Proposals (RFP) for a Needs Assessment. In addition to the needs assessment, the successful proposer would also assist

with the development of an RFP for the software itself. As part of this cross-functional discussion staff determined that a needs assessment along with assistance developing an RFP for the software itself would provide the greatest return on investment not only for the product, but also for the processes integrated with the platform. An outside team will provide necessary expertise to this process, to help ensure the best outcome for a significant investment. Based on ongoing discussions as described above, the scope of work was larger (i.e. citywide and including project management) than when the original 2022 budget estimate was developed.

As part of due diligence and to establish a project budget, staff sought informal quotes from some of the leading EAMS software vendors for cities of a comparable size and asset base. Three of the leading vendors provided quotes ranging in price from \$107,000 to \$172,500.

Staff then solicited proposals from firms with expertise in EAMS to assist in a needs assessment and RFP development. Twelve proposals were received in response to the RFP the city released on May 13, 2022. Of those, four proposals met the criteria required by the city. The costs were separated by the scope of the project (needs assessment and RFP development) and optional services (project management for implementation). The project is estimated to take between 4-6 months for the scope of work and an additional 4-8 months for implementation. The breakdown is as follows:

Company	Scope of work	Project management	Total
Berry Dunn	\$75,750	\$49,500	\$125,250
HDR	\$68,207	\$54,334	\$122,541
Soft Resources	\$53,570	\$66,000	\$119,570
WSB	\$49,715	\$50,680	\$100,395

The request for the 2023 budget is included in the capital equipment budget that is scheduled for presentation at the September 19 council workshop. Therefore, this item is being presented to provide additional background and information regarding an EAMS system in preparation for seeing the request in the budget. Staff's goal is to provide transparency of the request timeline, the software search and implementation process, and the value the platform will bring to Blaine constituents.

For the first phase, to be undertaken in 2022, staff recommends the selection of WSB for the needs assessment and the development of an RFP. The maximum, not to exceed, contract cost is \$49,715 to be billed on an "expenses as incurred basis." There is adequate approved budget and savings throughout the general, water, sanitary sewer, and storm sewer funds to support this contract.

For 2023 staff requests a maximum budget item of \$251,000 to be funded equally from the following capital equipment funds: general, water, sanitary sewer, and storm sewer. The needs assessment and search will result in a significantly narrowed cost margin. At this time staff believes that the cost to fully implement in 2023 will range between \$150,000 to \$200,000. The below table represents the maximum estimated cost for all activities:

Description	Single or Ongoing Cost	Total Cost
Project Management (WSB)	2023 only	50,680
Implementation (EAMS Firm)	2023 only	120,000
Cross-System Integration (APIs)	2023 only	20,000
Software Contract Year 1*	Ongoing annual cost	60,000

\*contract costs for software is included in the capital budget for the first contract year and are allocated to the operating budget for all subsequent years.

The above costs, also outlined in the attached presentation, are included fully in the capital equipment budget which will be presented at workshop tonight and during the October retreat later this year. The request would be adopted as part of the 2023-2027 Capital Improvement Program (CIP).

### **EAMS Description:**

The following provides core information regarding EAMS, its functionality, and benefits to residents, commercial enterprises, and visitors, and the value an outside contractor provides to the search and implementation process.

#### What is an Enterprise Asset Management System?

An Enterprise Asset Management System (EAMS) is an information management system designed to enable organizations to track work history and asset lifecycles with the expressed goals of:

- Making data driven decisions
- Fostering collaboration and information sharing across all departments
- Improving operational efficiency
- Tracking estimated and actual costs
- Predicting asset performance
- Managing/prioritizing maintenance activities
- Improving community safety/reducing liability
- Maximizing existing budget dollars and helping plan future budgets
- Extending the life of the infrastructure
- Communicating planned and completed maintenance and inspections throughout the City

The last 15 years have seen the proliferation of asset management systems in response to changes in how governments operate. These changes have occurred as a result of:

- Deterioration of infrastructure
- Deferred maintenance
- Decreased maintenance budgets
- Better informed and active public
- New government standards such as MS4 and sign retro-reflectivity
- Emerging and affordable technology

More acutely, in the last few years, added emphasis has been placed on better resource management and generating greater results with lower levels of funding. Fortunately, advances in mobile computing and web technology have delivered:

- Better software-based decision support capabilities
- Real-time field data collection
- Increased citizen engagement
- EAMS's that are easier to use for staff at all levels

When an EAMS is implemented properly, it will be tightly integrated with the City's GIS to allow the City to:

- Share information between divisions and departments
- Leverage the City's investment to generate interactive maps
- Visualize EAMS data to facilitate understanding and analysis
- Overlay asset management data with information from other departments

- Manage the location of assets effectively

What will EAMS do for the City?

- Minimize risk
- Produce higher levels of service
- Provide comprehensive, data-driven reports
- One place for data collection, single source of truth
- Information sharing between departments, divisions, and other stakeholders
- More accessible information (other than file cabinets)

What value does a needs assessment bring to the process?

- Help to bridge the gap between current conditions and desired conditions. Gaps can exist in knowledge, practices, or skills
- Set priorities for future action
- Gain valuable insight into our actions and processes to determine efficiency and identify areas for improvement
- Most needs arise from users, the people who use the technology to do their jobs. Part of the needs assessment will be to interview the users.

### **Staff Recommendation**

Staff is requesting Council input regarding the inclusion of EAMS software costs in the 2023 budget and seeks council feedback and input regarding the information presented.

### **Attachment List**

WSB Professional services agreement

RFP Enterprise Asset Management System (EAMS) Needs Assessment and RFP Development

EAMS PowerPoint presentation