



**Water & Wastewater Commission
Review and Recommendation**

Commission Meeting Date:	November 14, 2018
Council Meeting Date:	November 29, 2018
Department:	Purchasing
Client:	Danielle Lord, Rick Coronado, and David Anders
Agenda Item	
<p>Authorize negotiation and execution of a multi-term contract with OpEx Solutions, Inc. (MBE), to provide consulting services for the design and implementation of an asset reliability and total productive maintenance program for the City's water treatment program, for up to five years for a total contract amount not to exceed \$500,000.</p>	
Amount and Source of Funding	
<p>Funding in the amount of \$100,000 is available in the Fiscal Year 2018-2019 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.</p>	
Purchasing Language:	Professional Services
Prior Council Action:	N/A
Boards and Commission Action:	November 14, 2018 – To be reviewed by the Water and Wastewater Commission.
MBE/WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities, therefore, no subcontracting goals were established.

The contract will provide total productive maintenance (TPM) program consulting and training for the Austin Water treatment program. In 2017, Austin Water management adopted the Effective Utility Management (EUM) framework. The purpose of the EUM framework is to identify best practices of effective water utilities and to create a framework to guide water utilities in continuous improvement methodologies. The EUM framework includes 10 attributes of effectively managed utilities, one of which is infrastructure stability.

Critical processing equipment is the heart of Austin Water's infrastructure. An effective asset reliability and TPM program will improve the performance and extend the life of critical processing equipment and reduce the number of equipment breakdowns, thereby resulting in reduced maintenance costs. In 2014 and 2016, Austin Water contracted with the contractor to implement a TPM program at South Austin Regional and Walnut Creek wastewater treatment plants. The method taught by the contractor uses a seven-level model that is used to track the progress on the TPM path. Levels one through three are aimed at restoring, improving, and maintaining equipment to targeted standards to establish basic equipment condition. Level Four is aimed at sustaining gains for the long term. Austin Water set an attainment goal of Level four on critical processing equipment. Preliminary outcomes from the programs at these facilities include: detection of numerous loose flange bolts on the process air blower discharge preventing potential catastrophic equipment failure with an estimated replacement cost of \$1,000,000, detection and repair of damage to waste activated sludge pumps preventing breakdown and unscheduled maintenance, and attainment of TPM Level-one and Level-two status on equipment, indicating continued progress in TPM activities and results.

This contract replaces the current contract which expires December 28, 2018. This contract will allow the addition of critical processing equipment into the TPM program and extend TPM training and implementation to additional treatment plants and staff, ultimately enabling Austin Water to operate a self-sufficient TPM program. The recommended contractor is the current provider and is certified with the City as a Minority owned Business Enterprise.

Contract Detail:

Contract Term	Length of Term	Contract Authorization
Initial Term	3 Years	\$300,000
Optional Extension 1	1 Year	\$100,000
Optional Extension 2	1 Year	\$100,000
TOTAL	5 Years	\$500,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

This is a Professional Services Agreement

Contractor will provide consulting services for the design and implementation of an asset reliability and Total Productive Maintenance program for the City's water treatment program – **OpEx Solutions, Inc.**

PRICE ANALYSIS

- a) Note: Award of contract is recommended based Professional Services.
- b) Solicitations: 0 notices were sent, including 0 MBE and 0 WBE firms.
- c) Requirements were determined based on past expenditures and estimated future need.

APPROVAL JUSTIFICATION

- a) Austin Water concurs with Central Purchasing recommended award.