

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**

**Regular Meeting: November 29, 2018**

Item Number: **028**

**Purchasing Office**

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. (Note: 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).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	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.
<b>Purchasing Language</b>	Professional Services.
<b>For More Information</b>	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> or to the buyer, Kim Larsen, at 512-974-2261 or <a href="mailto:kim.larsen@austintexas.gov">kim.larsen@austintexas.gov</a> .
<b>Council Committee, Boards and Commission Action</b>	November 14, 2018 - Recommended by the Water and Wastewater Commission on an 8-0 vote, with Commissioner's Maia and Lee abstaining and Commissioner Michel absent.

<b>Client Department(s)</b>	Austin Water.
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**Additional Backup Information:**

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:**

<b>Contract Term</b>	<b>Length</b>	<b>Contract of Term Authorization</b>
Initial Term	3 yrs.	\$300,000
Optional Extension 1	1 yr.	\$100,000
Optional Extension 2	1 yr.	\$100,000

<b>TOTAL</b>	<b>5 yrs.</b>	<b>\$500,000</b>
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**Note:**Contract Authorization amounts are based on the City's estimated annual usage.