



## INDIAN RIVER COUNTY, FLORIDA DEPARTMENT OF UTILITY SERVICES

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**Date:** September 29, 2017

**To:** Jason E. Brown, County Administrator

**From:** Vincent Burke, PE, Director of Utility Services

**Prepared By:** Arjuna Weragoda, PE, Capital Projects Manager

**Subject:** Asset Management Program Services

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### **DESCRIPTIONS AND CONDITIONS:**

On July 11, 2017, Indian River County Board of County Commissioners (BCC) approved the final ranking for RFQ 2017029 to assist the Indian River County Department of Utility Services (IRCDUS) with the development and implementation of a comprehensive Asset Management Program (AMP) and start negotiations with the top ranked firm Arcadis U.S., Inc.

IRCDUS was formed when the unincorporated areas of Indian River County's water, wastewater, and solid waste utility services were consolidated under one department. IRCDUS now provides water and wastewater services to more than 49,000 direct accounts. The potable water system, which is the largest in the County, provides water to approximately 110,000 people and businesses in its service area. The water system includes two reverse osmosis water treatment plants with a total of sixteen well fields, as well as two primary treatment facilities for the demineralization concentrate, approximately 860 miles of pipeline, and 10 million gallons of treated water storage. The wastewater system, with more than 484 miles of sanitary sewers, is also the largest such system in the County. In addition, IRCDUS maintains and operates a re-use system comprising approximately 45 miles of pipeline, a 3 million gallon storage tank and pumps. In spite of significant investment over the last several years, IRCDUS is looking for an integrated set of tools and data to manage, maintain, and replace these assets in an optimal way.

IRCDUS is responsible for making sure that its system stays in good working order, regardless of the age of its components or the availability of additional funds. Asset management programs with good data including asset attributes (e.g., age, condition, and criticality), life-cycle costs, proactive operations and maintenance, and capital replacement plans based on cost-benefit analyses can be the most efficient method of meeting this challenge. Some of the benefits realized by IRCDUS through a good AMP are as follows:

- Prolonging asset life and improving decisions about asset rehabilitation, repair, and replacement
- Meeting consumer demands with a focus on system sustainability
- Setting rates based on sound operational and financial planning
- Budgeting focused on critical activities for sustained performance
- Meeting service expectations and regulatory requirements
- Improving responses to emergencies
- Improving the security and safety of assets
- Reducing overall costs for both operations and capital expenditures

**ANALYSIS:**

Arcadis provided a detailed scope of services outlining a roadmap to create and implement a comprehensive asset management program. The scope is more specifically described in the attached Work Order No.1. The total negotiated cost for the AMP in Work Order No.1 is a lump sum amount of \$448,888.00 separated into seven (7) tasks. The tasks to be addressed under the subject work order are as follows:

- Task 1            Project Management and Kickoff Meeting
- Task 2            Best Practices Training and Team Chartering
- Task 3            Gap Analysis
- Task 4            Asset Management Strategy
- Task 5            Implementation Roadmap
- Task 6            Condition Assessment and Risk Methodology Development
- Task 7            Pilot Asset Condition and Risk Assessment

At the end of each task, the project manager will assess the execution and examine the deliverables of that task prior to moving forward to the next task.

**FUNDING:**

Funding of \$200,000 for the AMP was budgeted in FY16-17. However, the project was delayed in light of departmental priorities. Funding for the AMP is available in the other professional services account in the Operating Fund. Operating funds are derived from water and sewer sales.

<b>Description</b>	<b>Account Number</b>	<b>Amount</b>
Asset Management Program Roll Forward	47123536-033190	\$200,000.00
Asset Management Program	47123536-033190	\$248,888.00

**RECOMMENDATION:**

Staff recommends approval of the Agreement for Professional Services authorizing the mentioned professional services and requests the Board of County Commissioners to authorize the Chairman to execute the Agreement on their behalf for a lump sum amount of \$448,888.00 to Arcadis U.S., Inc. Staff also recommends rolling \$200,000 in unused FY16-17 funds for other professional services to FY17-18.

**ATTACHMENT(s):**

Agreement for Professional Services with Arcadis U.S., Inc., including Work Order 1 (21 Pages)