



Date: May 21, 2013

To: Water Utility Board

From: Pete Braselton,

Al Larson, PE, BCEE

Re: Request to Advertise for Engineering Services

Project: Asset Management Plan

General Scope

Madison Water Utility is seeking to advertise for proposals from interested consultants to create an Asset Management Plan (AMP). This document will establish the requirements for an Asset Management Program and incorporates and updates the 2005 Infrastructure Management Plan. The goal of the Asset Management Plan is to lay the groundwork for a Utility Asset Management Program to address the five core areas of Asset Management:

1. What is the current state of my assets?
2. What is my required level of service?
3. Which assets are critical to sustained performance?
4. What are my best O&M and CIP investment strategies?
5. What is my long term funding strategy?

In addition to addressing the five core areas of Asset Management, the Utility is requesting assistance in developing best practice data maintenance guidelines to support an ongoing asset management program. The data maintenance guidelines will be used to further develop the MWU GIS database and implement a Computerized Maintenance Management System.

Background

Asset Management (AM) is a business process that ensures the Utility gets the most value from each asset and has the financial resources to rehabilitate and replace assets when necessary. Applying the basic principles of Asset Management can:

- Increase system knowledge
- Sustain the system level of service
- Reduce emergency repairs
- Prioritize rehab and replacement
- Increase transparency

To date, the Utility has performed various functions related to Asset Management. These include:

- GIS Inventory.
- Work Order tracking.
- Condition Assessments of existing plant and facilities (2005 Infrastructure Management Plan).

Despite these efforts, the Utility has been unable to integrate these business processes to help understand the true cost of an assets lifecycle, identify and mitigate high risk assets, and develop short to long term budget models.

Staff Availability

MWU Engineering staff does not have the expertise or experience in asset management to complete this project. MWU staff will work closely with the selected consultant to develop the basic skills and understanding to implement an effective and efficient Asset Management Program.

Estimated Cost

Total project budget for the Asset Management Plan has been established at \$250,000.

Project and MWU mission

With an aging infrastructure and tight budgets, MWU is looking to implement best practice solutions to maximize value of investment in system infrastructure. Asset Management will provide tools for establishing near and long term budgets, understanding asset lifecycles, maintaining established level of service and mitigating risks inherent to maintaining an aging system. The Utility works to continuously improve workflow, data management, and information sharing. Asset Management complements and is in direct alignment with the Utility's long term mission to protect and preserve the drinking water system.