



MAYOR & COUNCIL COMMUNICATION

DATE: April 15, 2014
REGULAR **\$\$**
ITEM **8**

AGENDA ITEM: Infrastructure Asset Management – Recommendation to Purchase Beehive Industries Software Modules for Roads, Water, Wastewater and Storm

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Dean A. Zuleger, City Administrator

REVIEWED BY: Mike Bouthilet, Public Works
Cathy Bendel, Finance Director
Ryan Stempiski, Assistant City Engineer

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item..... City Engineer
- Report/Presentation..... City Engineer
- Questions from Council to Staff..... Mayor Facilitates
- Public Input, if Appropriate..... Mayor Facilitates
- Call for Motion..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

POLICY RECOMMENDER: Engineering.

FISCAL IMPACT: \$13,098 annually for a 12 or 36 month contract.

In staff’s opinion, these costs will more than pay for themselves within each fund through improved efficiencies while providing improved customer service, accountability reporting and with improved asset management efficiencies.

- Road module: \$3,301 – Fund 101
- Water module: \$3,301 – Fund 601
- Wastewater module: \$3,301 – Fund 602
- Storm module: \$3,195 – Fund 603

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving the purchase of Infrastructure Asset Management software including Beehive Industries Software Modules for Roads, Water, Wastewater and Storm in the amount of \$13,098 for a 36 month term. The recommended motion for this action is as follows:

“Move to approve the purchase of Infrastructure Asset Management software including Beehive Industries Software Modules for Roads, Water, Wastewater and Storm in the amount of \$13,098 and for a 36 month term.”

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

The City of Lake Elmo is undergoing significant growth and addition of public infrastructure assets. In order to effectively and efficiently manage these capital assets while minimizing the total costs of owning, operating and maintaining them at an acceptable level of service, we are strongly recommending that now is the time to invest in asset management software.

We have received quotes to purchase four asset modules including Roads, Storm Water, Waste Water (or Sanitary Sewer), and Water. The annual cost is about \$3,300 per module including Web Hosting, Software, Training, and Support for a total annual cost of \$13,098. It is recommended that the costs be charged against each respective fund as outlined above. Two quotes have been provided; one for a 12 month contract, and one for a 36 month contract locking in the current rates for at least three years. Staff presented the 12 month contract to the Finance Committee and at their suggestion, requested a 36 month contract to lock in prices.

Beehive Industries software offers several considerable advantages over other programs we have reviewed including a true small City market focus, ease of interface and use by non-GIS and nontechnical staff, unlimited licenses and device installations (no per seat licensing), full mobile device access, work order functionality integrated into each asset module, and low cost. The data is cloud based but the ownership of the data remains with the City and can be readily accessed by the City through Excel, GIS, and AutoCAD.

The engineering, public works and utility departments currently maintain asset inventories, construction records, mapping, condition assessments, maintenance records, and improvement schedules through independent methods such as hard copy files, electronic files, microfiche, GIS software, and Xcel spreadsheets.

Asset management software has been developed for cities as a comprehensive way to cost effectively managing infrastructure capital assets. Asset Management can encompass all of the various asset types within a community and recognizes the interdependencies of maintenance, operations, asset performance, personnel productivity, life cycle costs, and capital planning.

Over the past decade, FOCUS engineering has used or reviewed several asset management programs available to cities and have been frustrated by them due to their lack of application for

small cities. On the surface most companies will proclaim that their programs are scalable to small communities; however as you peel back the layers you learn that their idea of “small” means populations of 75,000-150,000. The programs are expensive, and they are dependent upon the City having a robust GIS department with the input and output of data flowing through a GIS guru.

STRENGTHS: This purchase provides the tools necessary for staff to capture and retain key information on the City’s infrastructure assets that will greatly improve the City’s ability to be responsive to the taxpayers, Council and to more efficiently and cost effectively manage the City’s assets. This tool will enable staff to better integrate the maintenance, operations, asset performance, tracking of life cycle costs, and perform capital planning for each of the City’s major public infrastructure components including Roads, Water System, Wastewater System and Storm Water Systems. The product will help staff to consolidate all key information pertaining to an asset, greatly improving the City’s intelligence regarding its infrastructure.

WEAKNESSES: The purchase represents an annual commitment and a commitment by staff to learn and utilize the software.

OPPORTUNITIES: This purchase provides the opportunity to capture critical asset management data from the beginning of the assets life cycle for the peak infrastructure growth periods in the City.

THREATS: Like any asset management system, garbage in equals garbage out. It will be critical for staff to develop and implement strict protocols for assessing the accuracy of data to be used and to manage the data over time.

RECOMMENDATION:

Staff is recommending that the City Council approve the purchase of Infrastructure Asset Management software including Beehive Industries Software Modules for Roads, Water, Wastewater and Storm in the amount of \$13,098 for a 36 month term. The recommended motion for this action is as follows:

“Move to approve the purchase of Infrastructure Asset Management software including Beehive Industries Software Modules for Roads, Water, Wastewater and Storm in the amount of \$13,098 and for a 36 month term.”

ATTACHMENT(S):

1. Quote from Beehive Industries for 36 month contract.
2. Quote from Beehive Industries for 12 month contract.