



## Legislation Text

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### Asset Management Software (B)

Staff recommends the purchase of asset management software from Digital Inspections, a division of KEMA, Inc. for the Substation and Relay Division

GRU's Substation & Relay Division is responsible for ensuring that the electric utility's critical substation and relay infrastructure are properly and regularly maintained. Staff uses an asset management software system to schedule maintenance of substation/relay equipment to assure optimum condition and compliance with the applicable North American Electric Reliability Corporation (NERC) operating standards. Currently these maintenance activities are scheduled and tracked by a software system purchased in the late 1990s that is no longer current or fully supported. The existing system uses a time-based maintenance program and lacks the functionality required to employ a more efficient health and risk-based maintenance approach.

A new asset management system will have the analytics required to make maintenance decisions based on health, condition, and criticality of the equipment. With robust performance management and reporting tools, the system will help ensure compliance with NERC operating standards. Non-compliance can result in significant fines and penalties.

A health-based approach allows decisions to be based on the current condition of the equipment, permits optimum adjustment to the maintenance cycle, extends equipment life, and provides insight in the development of replacement programs. Risk-based algorithms help prioritize maintenance based on the criticality of the equipment. These approaches improve reliability, extend equipment life and reduce maintenance costs.

Utilities Purchasing issued a Request for Proposals to eight companies that provide asset management systems. Three proposals were received and evaluated based on proposer's qualifications, approach/management/schedule, software solution, five-year overall cost, product usability and functionality, and local preference. Digital Inspections submitted the highest rated proposal based on a CASCADE software system. The five-year cost of the system including maintenance is \$229,100. The requested approval amount of \$172,700 reflects the cost of the software and first year of maintenance. Subsequent years for maintenance costs will be budgeted as required but will be below the threshold for City Commission approval. A summary of the evaluation is attached for your information.

The City Commission: 1) authorize the General Manager, or his designee, to negotiate and execute a Software License, Consulting Agreement, and Software Support Contract with Digital Inspections, a division of KEMA, Inc. for CASCADE software licenses, installation, and support, subject to the approval of the City Attorney as to form and legality; and 2) approve the issuance of a purchase order to Digital Inspections for the purchase, implementation, and first year maintenance of their CASCADE asset management software in the amount of \$172,700.

Funds for this equipment are available in the FY 2012 budget.

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