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Meeting Date: March 22, 2017

Staff Contact: Cody Stinson, Chief Information Officer

**TITLE: C-17-6 – Approving Supplemental Agreement with EMA Inc., in Relation to the Asset Management/Maximo System Upgrade**

**ACTION: Recommend Approval**

**SUMMARY:**

The Albuquerque Bernalillo County Water Utility Authority (Water Authority) is currently undergoing an Enterprise Asset Management System (Maximo) upgrade that includes a technical upgrade of Maximo from version 6.25 to version 7.6. The upgrade also includes Business Process Improvement initiatives within the core Operations and Maintenance groups including Water Lines/Field Distribution, Groundwater, Surface Water Treatment Plant, Southside Reclamation Plant, Collections, and the Warehouse.

The Water Authority's ISD Division is recommending additional funding to be allocated to the project to enhance Business Process Improvement initiatives and system maintenance. This funding will cover Professional and Technical services to support; continued support of the current version of Maximo, along with furthering Change Management initiatives, streamlining user interfaces and utilization of workflows, inclusion of Koterra fields for insurance claims, additional reporting to assist the Capital Implementation Program (CIP) decade plan, additional resources to train end-users on the features and functions of 7.6, and post go-live support. The project is currently scheduled to go-live on September 12, 2017.

EMA Inc. is the vendor that was selected via RFP number P2015000005 to upgrade and enhance our usage of Maximo and build out the Water Authority's Asset Management plan. EMA has done an outstanding job leading us through the first phases of the upgrade and Business Process Improvement initiatives. In order to meet our identified goals and objectives of the project, the additional funding is necessary.

**FISCAL IMPACT:**

The cost of this proposed agreement is: \$329,600 plus applicable taxes and will be split between Fiscal year 2017 and Fiscal year 2018.

Fiscal Year 2017:	\$123,000
Fiscal Year 2018:	\$176,000
Travel and Expenses:	\$ 30,600

The Water Authority has budgeted the CIP funds to cover this agreement.



**THIRD SUPPLEMENTAL AGREEMENT  
ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY  
AND  
EMA, INC.**

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THIS THIRD SUPPLEMENTAL AGREEMENT is made and entered into on the date of the last signature entered below by and between the Albuquerque Bernalillo County Water Utility Authority, a New Mexico political subdivision, P.O. Box 568, Albuquerque, NM 87103-0568 (hereinafter referred to as the "Water Authority"), and EMA, Inc., an Arizona corporation located at 4742 North Oracle Rd., Suite 310, Tucson, AZ 85705-1675 (hereinafter referred to as the "Contractor").

**RECITALS**

WHEREAS, the Water Authority and the Contractor entered into an Agreement, dated March 10, 2016, as amended by a First Supplemental Agreement dated August 24, 2016 and a Second Supplemental Agreement dated February 21, 2017, pursuant to Request for Proposal (RFP) No. P2015000005, "MAXIMO Upgrade Project", referenced as Exhibit A, and Contractor's response to RFP No. P2015000005, referenced as Exhibit B, hereinafter referred to as the "Original Agreement", whereby the Contractor agreed to render certain professional services to the Water Authority; and

WHEREAS, the Water Authority has determined that cost estimate services for the impact of the MAXIMO implementation Phase 1 timeline extension in accordance with Exhibit G are required in the performance of this Agreement; and

WHEREAS, the Water Authority will add \$149,200.00 to the Original Agreement to pay for the above mentioned services; and

WHEREAS, the Contractor is agreeable to adding the services and the additional compensation added to the Original Agreement; and

NOW, THEREFORE, in consideration of the premises and mutual obligations herein, the parties hereto do mutually agree as follows:

1. Section 1 Scope of Services of the Original Agreement is hereby amended to add the following:

A. The Contractor will provide the Water Authority with "Cost Estimate Services for the Impact of the MAXIMO Implementation Phase 1 Timeline Extension in accordance with Exhibit G attached hereto and made part of this Agreement.

2. Section 3.A and 3.B. are hereby amended to add the following:

A. **Compensation.** For performing the Services specified in Section 1 hereof the Water Authority agrees to pay the Contractor up to the amount of **One Million Seven Hundred Eighty-Seven Thousand Five Hundred Eighty-Eight and 43/100 Dollars (\$1,787,588.43)** which amount includes any applicable gross receipts taxes and which amount shall constitute full and complete compensation for the Contractor's Services under this Agreement, including all expenditures made and expenses incurred by the Contractor in performing such Services.

B. **Method of Payment.** Such amount shall be paid to the Contractor upon completion and acceptance by the Water Authority of each Milestone/Task, as set forth in Exhibit C as supplemented by Exhibits D, E, F and G which are attached hereto and by this reference made a part of this Agreement. Amounts in Exhibits D, E and F *exclude* any applicable gross receipts taxes. Applicable gross receipts taxes must be billed a separate item on the invoice to be paid. Payments shall be made to the Contractor upon receipt by the Water Authority of a properly documented requisition for payment as determined by the budgetary and fiscal guidelines of the Water Authority and on the condition that the Contractor has accomplished the Services to the satisfaction of the Water Authority.

3. Section 3 is hereby added a Subsection D to read as follows:

D. **Reimbursement of Expenses.** In addition, upon receipt of proper documentation submitted with Contractor's invoice, the Water Authority will reimburse the Contractor's actual travel expenditures up to the amount of **Two Thousand and 00/100 Dollars (\$2,000.00) per person, per trip**, for a maximum amount of **Forty-Eight Thousand and 00/100 Dollars (\$48,000.00)**, for expenses such as travel, lodging, meals and rental car fees, which amount includes any applicable gross receipts taxes, for expenses related in the performance of Services.

4. Except as herein expressly amended, the terms and conditions of the Original Agreement shall remain unchanged and shall continue in full force and effect unless there is a conflict between the terms and conditions of the Original Agreement and this Third Supplemental Agreement, in which event, the terms and conditions of this Third Supplemental Agreement shall control.

5. This Third Supplemental Agreement shall not become effective or binding until approved by the Water Authority's Executive Director.

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IN WITNESS WHEREOF, the Water Authority and the Contractor have executed this Third Supplemental Agreement as of the date of the last signature entered below.

**ALBUQUERQUE BERNALILLO COUNTY  
WATER UTILITY AUTHORITY**

**CONTRACTOR: EMA, INC.**

Approved By:

\_\_\_\_\_  
Mark S. Sanchez, Executive Director

Date: \_\_\_\_\_

\_\_\_\_\_  
John M. Stomp III, P.E.  
Chief Operating Officer

Date: \_\_\_\_\_

Reviewed by:

\_\_\_\_\_  
Peter S. Auh, General Counsel

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

State Taxation and Revenue Department  
Taxpayer Identification No.: 02-331116-00-9

**Federal Taxpayer Identification No.**  
**41-1467091**

## EXHIBIT G

### “Timeline Extension Impact Services” Scope of Work and Fee Schedule



EMA, Inc.  
2355 Highway 36 West, Suite 200  
St. Paul, MN 55113-3819  
phone 651.639.5600  
www.ema-inc.com

January 5, 2016

Cody Stinson  
Project Manager  
ABCWUA Water Authority  
PO Box 568  
Albuquerque, NM 87103-1293

**Re: Phase I Maximo Upgrade and Enhancement Project - Timeline Extension Impact**

Dear Cody:

EMA is pleased to submit this Change Order which provides the cost estimate for the impact of the Maximo Implementation Phase I timeline extension. The Phase I implementation timeline has changed as a result of the following key reasons:

1. Added Change Management tasks (e.g., Key Success Factors workshops, AM model workshops, AM Self-Assessment)
2. Added Functional Requirements workshops
3. Postponed delivery of the Functional Requirements to complete Change Management tasks
4. Approach changed from upgrade to clean install
5. Decision to maintain the original "big bang" Go-Live approach
6. February 2017 timeline for ABCWUA data collection efforts
7. Executive Sponsor decision to move Go-Live from the Project Management Office (PMO) recommended August 2017 Go-Live to September 2017.

Per the new timeline, the original Go-Live date of May 29, 2017 has been re-planned to a September 12, 2017 Go-Live.

**Duration Activities**

***Project Management and Administration (1.2.1)***

An additional 232 labor hours have been added to the Project Management and Administration duration activity, to cover the cost of project management through the end of Go-Live support, and project closeout in October 2017. These hours are based on the same duration percentage as the original statement of work (SOW), and include the same scope specified in the original SOW. An additional 40 hours was also added to support the re-planning efforts conducted during October – December 2016.

### ***Change Management (1.2.2)***

All Change Management (CM) duration activities defined in the original SOW were re-defined to a Change Management Activity Strategy that was included in a separate Change Management proposal. The original duration CM hours were utilized in support of the Pre-Functional Requirements activities.

The CM Activity Strategy proposal has now been cancelled and included in this proposal. As a result, 35 hours per month (January 2017 - October 2017), have been included in this proposal, equating to the original duration task level of support. Also included are monthly expenses assuming 2-3 days on-site per month for Leslie Willet Black to manage the milestone activities.

<b>Milestone Activity</b>	<b>Comments</b>
<b>Stakeholder Analysis</b>	Initial assessment completed. Leslie completed the August interviews to finish the analysis of response to change. Recommendations have been made to meet the scope of the Communication Plan, EMA will support the execution of the Communication Action Plan.
<b>Change Drivers and Constraints</b>	Completed. Results led to actions to bring forth the AM knowledge sessions and self-assessment. Actions are not part of the original scope, however they are deemed necessary for project success.
<b>Develop Change Management Strategy / Plan</b>	'Target Conditions' have been identified for each area and will be used on the Score Card. EMA will support the effort to continue the WUA efforts for definition of measurable objectives and success factors.
<b>Risks for Change</b>	Risks will be continually identified and a strategy developed to mitigate, transfer, eliminate, or accept. WUA will execute actions defined.
<b>Assess Readiness for Change</b>	Readiness of stakeholders and the organization in general will be monitored for the readiness to accept change. The readiness factor will be made part of the go, no-go decisions throughout the project.
<b>Communication Plan and Overall Strategy</b>	Initial draft completed by EMA and updated by Bianca. Not actioned to date. EMA will support the continual updates throughout the project.



## **Maximo V6.2 Support**

An additional 30 hours have been added to provide Maximo V6.2 support during the additional time that this version will be on-line. This provides support at the same level as the original SOW.

## **Expenses**

Project Management: An additional four (4) trips have been added for the EMA Project Manager and two (2) trips for the EMA Principal in Charge for a total of six (6) additional on-site visits at a cost of \$1,800 per trip.

Change Management: An additional eleven (11) trips have been added for the EMA Change Manager to be on-site, on a monthly basis, throughout the life cycle of the Phase I project.

## **Proposal Costs**

Task	Estimated Hours	Estimated Cost
<b>Impacted Tasks</b>		
Project Management and Administration	232	\$43,500.00
Change Management	350	\$70,000.00
Maximo V6.2 Support	30	\$5,100.00
<b>Subtotal</b>	<b>612</b>	<b>\$118,600.00</b>
<b>Labor Costs</b>		<b>\$118,600.00</b>
<b>Expenses</b>		<b>\$30,600.00</b>
<b>TOTAL</b>		<b>\$149,200.00</b>

## **Assumptions**

**This proposal is based on the following assumptions:**

- Go-Live date planned for September 12, 2017, Project Closeout in October 2017
- Project Management, Change Management and Maximo V6.2 support follows the original Maximo Upgrade and Enhancement Project SOW scope.
- No additional hours will be required for the clean install of Maximo versus the original scope of upgrade. WUA to collect and provide the data in the EMA templates provided.

EMA is prepared to move forward with this additional Scope of Work upon receiving a notice to proceed. We look forward to working with you.

Sincerely,

Craig Johnson  
Project Manager  
**EMA, Inc.**

Signature – EMA, Inc.

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Craig Johnson  
Project Manager  
EMA, Inc.

Date:

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Signature – ABCWUA

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Cody Stinson  
Project Manager  
ABCWUA Water Authority

Date:

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