

- **Board of Directors**  
**Asset, Real Estate and Infrastructure Policy Committee**

May 13, 2003 Board Meeting

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**8-3**

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**Subject**

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Appropriate \$605,000 to upgrade the Maintenance Management System (Approp. 15408)

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**Description**

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This letter requests appropriation of funds in the amount of \$605,000 for the upgrade of Metropolitan's Maintenance Management System (MMS) to the current release of this software.

Metropolitan uses a maintenance management software package called Maximo to manage maintenance activities on its water conveyance, treatment and distribution systems. Maximo facilitates the planning and scheduling of maintenance activities (i.e. preventive and corrective maintenance work orders) and acts as a repository for maintenance-related data. In addition, its records provide documentation required by the Enhanced Surface Water Treatment Rule and other drinking water regulations.

Maximo was implemented at all field sites in 1998/99. Metropolitan has been using Maximo version 2.1 since the original implementation. This version is no longer supported by the vendor. However, Maximo continues to be one of the best maintenance management software packages available today. The Information Technology Strategic Plan (ITSP) performed an in-depth review of the maintenance management area and recommended that we upgrade the Maximo software to a current version.

The latest version of Maximo is web-based and is a significant improvement over version 2.1. The upgrade will enable Metropolitan to take advantage of newer functions to improve efficiency, tracking, and reporting of maintenance activities. For example, the new scheduling module is easier to work with and will enable Water System Operations to better plan and analyze resource requirements to cover preventive maintenance, corrective maintenance, shutdown and capital improvement project work activities. This will help support Water System Operations' efforts to continue monitoring and improving performance measures including the ratio of preventive to corrective maintenance hours, backlog, and wrench-time. The ability to better perform preventive maintenance will produce longer asset life, increase reliability and reduce repair costs. In addition, the web-based version of Maximo facilitates the deployment of mobile technology for maintenance staff working in the field.

The ITSP and Water System Operation's management have identified this project as a high priority. The CIP Evaluation Team reviewed and recommended approval of this project as part of their CIP review process.

See [Attachment 1](#) for the Financial Statement.

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**Policy**

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Metropolitan Water District Administrative Code § 5108: Capital Project Appropriation

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**California Environmental Quality Act (CEQA)**

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CEQA determination for Staff Recommendation:

The proposed action is not defined as a project under CEQA because it involves continuing maintenance activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to the provisions of CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

**Staff Recommendation**

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Adopt the CEQA determination and appropriate funds in the amount of \$605,000 for the Maintenance Management System Upgrade (Approp. 15408).

**Fiscal Impact:** \$605,000 in budgeted capital expenditures under Approp. 15408 and \$105,000 in O&M expenditures.

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|---|-------------------|
| <br>Roy L. Wolfe<br>Manager, Corporate Resources  | 4/16/2003<br>Date |
| <br>Ronald R. Gastelum<br>Chief Executive Officer | 4/28/2003<br>Date |

**Attachment 1 – Financial Statement for Maintenance Management System (MMS)**

BLA #1941

**Financial Statement for Maintenance Management System (MMS)**

A breakdown of Board Action No. 1 for Appropriation No. 15408 for Maintenance Management System Upgrade Program is as follows:

|                                 |                              |
|---------------------------------|------------------------------|
|                                 | <b>BOARD ACTION</b>          |
|                                 | <b>No. 1</b>                 |
|                                 | <b>(May 2003)</b>            |
|                                 | <hr/>                        |
| Labor & Additives               | \$ 121,000                   |
| Professional/Technical Services | 414,000                      |
| Remaining Budget                | 70,000                       |
| <b>Total:</b>                   | <hr/> <b>\$605,000</b> <hr/> |

**Funding Request**

|                                   |                                     |                                  |              |
|-----------------------------------|-------------------------------------|----------------------------------|--------------|
| <b>Program Name:</b>              | Maintenance Management System (MMS) |                                  |              |
| <b>Source of Funds:</b>           | Pay-As-You-Go                       |                                  |              |
| <b>Appropriation No.:</b>         | 15408                               | <b>Board Action No.:</b>         | 1            |
| <b>Requested Amount:</b>          | \$ 605,000                          | <b>Capital Program No.:</b>      | 02302-E      |
| <b>Total Appropriated Amount:</b> | \$ 605,000                          | <b>Capital Program Page No.:</b> | E-16a        |
| <b>Total Program Estimate:</b>    | \$ 605,000                          | <b>Program Goal:</b>             | E-Efficiency |