
City Council Regular Meeting

DEPARTMENT: Public Works

FROM: Eric Oscarson, Director of Public Works

MEETING: June 5, 2023

SUBJECT:

Consider approval of a service contract with Freese and Nichols, Inc to create an asset management policy, risk matrix, and a pavement management plan in the amount of \$148,814.
(Staff Contact: Eric Oscarson, Director of Public Works)

SUMMARY:

Asset management is a strategy used to meet a required level of service, in the most cost-effective manner, by managing assets for present and future customers. It employs predictive modeling, risk management, and optimized decision-making techniques to establish asset life cycle treatment options and related long-term cash flow predictions. The overall asset management hierarchy typically includes asset management policy, objectives, strategy, and planning.

An asset management policy is an essential component of having a solid and comprehensive asset management strategy. Providing a set of guiding principles, intention, goals, and methods for asset management. The policy will outline how asset management will be integrated within the organization. It will contain goals, service levels, maintenance standards, and clearly define roles and responsibilities.

A risk matrix is created using each asset's level of risk is its magnitude. It is estimated by considering and combining consequences and probabilities. Having a risk matrix and asset management plan will help Public Works plan for replacements of aging infrastructure and be predictive versus reactive. This contract will create the initial city-wide asset management program, as well as the risk matrix. As part of this contract, we will complete a full risk assessment and asset management plan for pavement.

With a completed asset management policy and risk scores, a Consequence Criticality Matrix and Risk Register can be completed. A Criticality Matrix has different consequence categories that contain threshold criteria for deciding how assets will be addressed. This will allow the city to choose a proper risk mitigation strategy for to each asset. A Risk Register will list all assets, documented risks, risk levels of CoF and PoF, along with current and planned actions to mitigate risks.

Freese and Nichols was hired to summarize the City's existing pavement management activities and develop a comprehensive pavement management program. A comprehensive pavement management program will allow City staff to make informed decisions that optimize the timing of maintenance activities, reduce overall lifecycle cost of the roadway network, and extend the life of the City's roadway infrastructure.

Currently, the City utilizes a third-party contractor to perform pavement condition assessments to identify the roadway network's condition. The City will be performing a pavement condition assessment in the summer 2023 and seeks to expand on the previously completed pavement management plan utilizing this updated pavement condition assessment data. The main purpose for the completed/updated evaluation and assessment is to better understand the value in preventive maintenance versus reactive maintenance at a much higher cost.

Once the asset management policy, risk matrix, and pavement assessment are completed, staff will utilize existing software to input the new data and will be able to run scenarios that will assist in optimizing pavement maintenance and assist in funding data in the future. Staff will be able to create data-driven budgeting plans for asset networks to identify, forecast, and prioritize improvement projects. With the ability to run multiple scenarios based on budget limitations or target pci scores; to plan, predict costs, and prioritize maintenance.

With Freese and Nichols being engaged on the pavement management plan and previous experience with staff on other asset management projects, staff negotiated a scope and fee for asset management services.

Staff is recommending approval of a service contract with Freese and Nichols, Inc to create an asset management policy, risk matrix, and a pavement management plan in the amount of \$148,814.

OPTIONS:

- 1) Approve a service contract with Freese and Nichols, Inc to create an asset management policy, risk matrix, and a pavement management plan in the amount of \$148,814. *(Staff Contact: Eric Oscarson, Director of Public Works)*
- 2) Deny a service contract with Freese and Nichols, Inc to create an asset management policy, risk matrix, and a pavement management plan in the amount of \$148,814. *(Staff Contact: Eric Oscarson, Director of Public Works)*

RECOMMENDATION:

Approve of a service contract with Freese and Nichols, Inc to create an asset management policy, risk matrix, and a pavement management plan in the amount of \$148,814.

FISCAL IMPACT:

Budgeted Y/N: Y
Amount: \$148,814
Project: PW2302

Acct: 5203101 - 62010

STAFF CONTACT:

Eric Oscarson
Director of Public Works
eoscarson@burlesontx.com
817-426-9837