

# Agenda Report

May 19, 2025

**TO:** Honorable Mayor and City Council

**FROM:** Water and Power Department

**SUBJECT:** **AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACTS WITH KLOUDGIN, INC. FOR ENTERPRISE ASSET MANAGEMENT SOFTWARE FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$2,157,048 AND TMG UTILITY ADVISORY SERVICES, INC. FOR IMPLEMENTATION SERVICES FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$4,255,000**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" subject to the California Environmental Quality Act ("CEQA") pursuant to California Public Resources Code Section 21065 and within the meaning of State CEQA Guidelines Section 15378(b);
2. Authorize the City Manager to enter into a contract, as the result of the competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with KloudGin, Inc. ("KloudGin") for Enterprise Asset Management ("EAM") software for five years for a total amount not-to-exceed \$2,157,048, which includes the base contract amount of \$1,875,694 and a contingency of \$281,354 to provide for any necessary change orders. Competitive price bidding is not required pursuant to City Charter Section 1002 (F), contracts for professional or unique services; and
3. Authorize the City Manager to enter into a contract, as the result of the competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with TMG Utility Advisory Services, Inc. ("TMG") for Enterprise Asset Management ("EAM") implementation services for three years for a total amount not-to-exceed \$4,255,000, which includes the base contract amount of \$3,700,000 and a contingency of \$555,000 to provide for any necessary change orders. Competitive price bidding is not required pursuant to City Charter Section 1002 (F), contracts for professional or unique services.

## **BACKGROUND:**

Pasadena Water and Power (“PWP”) owns, operates, and maintains a complex water and power delivery system that provides reliable water and electricity services to customers spanning a 26-square-mile service area. PWP’s water system treats and delivers high-quality water services to nearly 38,000 customers. PWP’s water infrastructure includes two groundwater treatment plants, 19 booster pump stations, 6 active wells, 30 pressure regulating stations, 27 interconnections, 14 storage reservoirs, 8,000 system valves, 4,100 backflow devices, and over 520 miles of distribution pipes. PWP’s electric system serves approximately 68,000 electric accounts and delivers over one million megawatt hours (“MWh”) of power to its customers each year. The system includes approximately 1,700 linear miles of overhead and underground power lines, 11,200 utility poles, and 11 electric substations.

Currently, PWP utilizes multiple systems to monitor and manage infrastructure upgrades, improvements, and maintenance; however, it does not have a fully integrated and comprehensive EAM system in place. The lack of a comprehensive system has resulted in a mixture of custom-built applications, data segregation, spreadsheets, and other workaround solutions. To improve critical resource management, PWP requires an integrated solution that enables effective, accurate, and timely tracking of project status and total asset costs through their lifecycles. The need for more timely data, improved system interfaces, and tracking operational enhancements requires the utilization of an integrated work, maintenance, inventory, and asset management solution.

The new EAM system will be the core for managing PWP’s assets, materials inventory, and work orders. The new EAM system will streamline PWP’s current processes and allow for integrating related systems and functions. It will also replace several custom-built applications and legacy systems and combine them into one enterprise application to be used by the Water Division, Power Delivery Division, and PWP Warehouse. It will also minimize the department’s hardcopy records and segregated databases, allowing seamless data sharing and improved reporting capabilities.

### ***Request for Proposal (“RFP”) and Evaluation Process***

An RFP to select a vendor to provide a modern, integrated EAM solution was issued in May 2023. The RFP invited software vendors to partner with system implementation firms. Eleven proposals were received in response to the RFP, including one from a local Pasadena vendor. Two submissions were nonresponsive.

The RFP evaluation was conducted as a two-part process. Phase I evaluated the functional and technical fit, vendor profile, implementation plan, and cost proposal. Phase II included product demonstrations, reference checks, and site visits. The proposals were scored by a panel of Pasadena’s Department of Information Technology (“DoIT”) and PWP staff, based on the criteria shown in Table I below:



**Table I: RFP Scoring Criteria - Phase I**

Scoring Criteria	Max Points
Functional and Technical Fit	20
Vendor Profile	25
Implementation Plan	20
Cost Proposal	25
Local Pasadena Business Preference	5
Small / Micro-Businesses Preference Entitlement	5
<b>Total Score</b>	<b>100</b>

Table II summarizes the evaluated scores for each proposal based on the above criteria:

**Table II: RFP Scoring Results - Phase I**

System Implementor	Software	Evaluated Score (Out of 100)
Stantec Consulting Services INC. (Pasadena, CA)	CentralSquare Technologies	69
POWER Engineers, INC. (Hailey, ID)	Cityworks	60
TMG Utility Advisory Services, INC. (Buda, TX)	KloudGin	58
Maintstar (Dallas, TX)	Maintstar	54
Smart Energy Water (SEW) (Irvine, CA)	Smart Mobile Workforce	50
NEXGEN Asset Management (Sacramento, CA)	NEXGEN Asset Management	49
Transpacific Technologies INC. (Pasadena, CA)	IBM Maximo	48
Hexagon (Madison, AL)	Hexagon	37
DNV Energy Insights USA INC. (Katy, TX)	Cascade	37

The top three-ranked proposers from Phase I were invited back to participate in Phase II. The Phase II evaluation was conducted based on the criteria shown in Table III below.

**Table III: RFP Scoring Criteria - Phase II**

Scoring Criteria	Max Points
Phase I Score	100
Product Demonstration	45
Reference Check/Site Visit	45
Local Pasadena Business Preference	5
Small / Micro-Businesses Preference Entitlement	5
<b>Total Score</b>	<b>200</b>

Based upon these criteria, POWER Engineers, INC. received the highest evaluated score as summarized in Table IV below. During contract negotiations with POWER Engineers, INC., staff could not come to terms and moved on to the alternate second-highest scoring vendor, TMG Utility Advisory Services, Inc.

**Table IV: RFP Scoring Results - Phase II**

System Implementor	Software	Evaluated Score (Out of 200)
POWER Engineers, INC.	Cityworks	134
<b>TMG Utility Advisory Services, INC.</b>	<b>KloudGin</b>	<b>119</b>
Stantec Consulting Services INC.	CentralSquare Technologies	112

PWP staff recommends award of a contract to KloudGin, Inc. for EAM software for five years for a total amount not-to-exceed \$2,157,048, which includes the base contract amount of \$1,875,694 and a contingency of \$281,354 to provide for any necessary change orders. The City of Pasadena has not previously awarded KloudGin, Inc. a contract.

In addition, PWP staff recommends award of a contract to TMG Utility Advisory Services, Inc. for EAM software implementation services for three years for a total amount not-to-exceed \$4,255,000, which includes the base contract amount of \$3,700,000 and a contingency of \$555,000 to provide for any necessary change orders.

KloudGin has not been awarded any City contracts. TMG has previously been awarded six City contracts, cumulatively valued at \$14.8 million since 2017.

### ***KloudGin EAM Software***

The proposed contract includes five years of software subscription and hosting. KloudGin EAM software is a cloud-based solution designed to help organizations more efficiently manage the full lifecycle of their physical assets, such as infrastructure, equipment, and facilities. It combines asset and field service management in one unified platform, enabling real-time data sharing, more innovative scheduling, and better

decision-making. Some key features of KloudGin EAM are:

- **Asset Lifecycle Management**  
Track assets from acquisition through disposal, including maintenance history, condition monitoring, and performance analytics.
- **Work Order Management**  
Automates the creation, assignment, and tracking of work orders, helping teams stay organized and reduce downtime.
- **Predictive & Preventive Maintenance**  
Uses Internet of Things (IoT) integrations and Artificial Intelligence (AI)-driven analytics to predict when assets will need maintenance, reducing unexpected failures.
- **Inventory & Spare Parts Management**  
Tracks spare parts usage and inventory levels, helping prevent delays due to missing materials.
- **Geographic Information System (“GIS”) Integration**  
Integrates with ESRI® Geographic Information Systems for visual asset tracking and planning based on location data.
- **Field Service Management Integration**  
Syncs asset maintenance with service teams in real time so field crews have the most up-to-date asset information when dispatched.
- **Compliance and Safety**  
Helps meet regulatory requirements by tracking inspections, certifications, and safety-related tasks.

### ***Proposed TMG Contract Scope of Work***

The proposed contract with TMG will provide comprehensive Project Management and System Implementor (“SI”) services. In addition to project management, the SI will plan the deployment, configure the software, and perform data migration. TMG will be responsible for integrating the KloudGin software into several City-owned systems, including Tyler Munis, Oracle Customer to Meter (“C2M”), and ESRI® GIS. In addition, TMG will provide leadership during the project's testing and training phases.

### **COUNCIL POLICY CONSIDERATION:**

The proposed contract is consistent with the Public Facilities Element of the General Plan and supports the Council’s goal to improve, maintain, and enhance public facilities infrastructure; to provide a high level of public service which adds to the quality of life in the City and increase its attractiveness through more efficient management of resources.

### **ENVIRONMENTAL ANALYSIS:**

The action proposed herein is not a project subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060(c)(2), 15060(c)(3), and 15378. Entering into a professional services agreement for Enterprise Asset

Management Software and System Implementation Services is an organizational and administrative action that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a “project” subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.



**FISCAL IMPACT:**

The total cost of these contracts will be \$6,412,048, which includes the base contract amount of \$3,700,000 with \$555,000 contingency for TMG for three years and a base contract amount of \$1,875,694 with \$281,354 contingency for KloudGin for five years. Funding for this action will be addressed by the utilization of existing and future appropriations in the Power Capital Fund 411, Capital Improvement Program ("CIP") Project 03140 - Enterprise Asset Management System; and Water Capital Fund 412, CIP 01089 - Enterprise Asset Management System. It is anticipated that \$400,000 will be spent during the current fiscal year. The remainder of the costs will be spent over the next four fiscal years. There is no anticipated impact to the operating budget or the General Fund. The contract summary is shown below in Table V.

**TABLE V: CONTRACT SUMMARY**

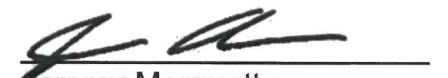
<b>Contract Expenditures</b>	<b>Amount</b>
TMG Software Implementation	\$3,700,000
TMG Software Implementation Contingency (15%)	\$555,000
KloudGin Software	\$1,875,694
KloudGin Software Enhancements Planned Additional Licenses (15%)	\$281,354
<b>Total Not-to-Exceed Amount</b>	<b>\$6,412,048</b>

Respectfully submitted,



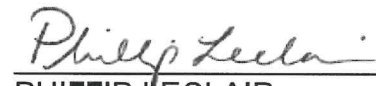
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