



Legislation Text

File #: 23-1215, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of the first extension to Contract 16-015, Enterprise Resource Planning (ERP) Software and Implementation to Tyler Technologies for an amount not to exceed \$2,835,224.27 and for three years

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

On November 15, 2016, the City Council approved the award of Contract 16-015, ERP Software and Implementation, to Tyler Technologies for a seven-year contract with options to extend. This software replaced Central Square Naviline, the ERP system the City purchased in the early 1990's.

The Tyler ERP is comprised of a group of software that are integrated into one system:

- EERP: Financials, HR/payroll, and revenue modules
- EPL: Permitting, licensing, and code enforcement modules
- Cashiering: Cash register for in-person and mailed payments
- TCM: Electronic document management

In addition, the ERP system has online portals to allow employees, vendors, and customers to access information and submit documents and payments 24/7.

The original contract term ends on December 31, 2023.

DISCUSSION:

Following the initial term, the contract allows for one, three-year extension and annual extensions thereafter. This recommendation is requested to award the three-year extension.

The table below breaks down the three-year award by year and cost type:

Year	SaaS Fees	Implementation Costs
2024	\$868,905.40	\$96,000
2025	\$912,350.67	\$0
2026	\$957,968.20	\$0

The annual software as service (SaaS) subscription fees include the costs for the City to access/use the Tyler hosted software and receive standard support services. The SaaS fees increase 5% per year, which is typical for software. Implementation costs are included in 2024 for consulting services to finish the EPL software implementation.

The term of the extension is three years from January 1, 2024 through December 31, 2026. Following this extension, the City and Tyler can continue to renew the contract annually.

FISCAL IMPACT:

CIP #: N/A

Tyler ERP implementation and SaaS fees are expensed to the below Software and Hardware Maintenance accounts. This service is expected to cost \$964,905.40 in 2024; the IT Department budgeted \$980,654 for Tyler software implementation and SaaS fees. Staff will continue to ensure that proper amount is budgeted for future contract years. The request award is within the 2024 budget amount for this expense.

Account Number	Fund Description	Total Budget Amount
16101100-531312	General Fund	\$3,655,145
16101300-531312	Electric Utility Fund	\$422,817
16101500-531312	Water Utility Fund	\$233,630