



Legislation Text

File #: 32968, **Version:** 1

Fiscal Note

This resolution authorizes an amendment to the contract with Tyler Technologies for development and implementation of an enterprise resources planning (ERP) system.

Funding of \$7.7 million has been authorized in adopted capital budgets to finance this project. The operating budget of the Information Technology Department includes funding to pay maintenance costs of between \$350,000 and \$400,000 annually.

To date, approximately \$4.2 million of the capital budget for the project has been expended. Maintenance payments have been made pursuant to the contract for 2011 and 2012. Maintenance for 2013 and 2014 totaling \$725,000 have not been paid, but have been either encumbered or budgeted. Invoices for work completed totaling \$456,132 have not been paid as the City and Tyler Technologies have sought to develop a comprehensive work plan for system development and implementation that meets the City's expectations as expressed in the request for proposals and the statement of work. Under the contract amendment, these amounts will be paid upon successful implementation of the financial and payroll elements of the system, which is currently planned for January 2015.

The amendment also includes a \$250,000 incentive payment upon a successful implementation of the financial and payroll elements of the project in January 2015. This amount is related to the additional implementation cost incurred by Tyler Technologies to meet the City's expectations for system functionality and workflow in a timely manner.

Based on expenditures to date, invoices received and yet to be paid from the capital project, development and implementation of the financial and payroll elements of the system, and amounts budgeted for computer hardware along with elements of the system to be implemented later (e.g., utility billing), the project remains within the original budget of \$7.7 million.

Amounts paid to date =	\$4.2 million
Invoices to be paid =	0.5 million
Financial and Payroll elements and incentive=	1.9 million
Other elements and contingency=	<u>1.1 million</u>
	\$7.7 million

Title

A Resolution authorizing the Mayor and City Clerk to execute an amendment to the existing contracts with Tyler Technologies, Inc. for the implementation of the ERP financial system.

Body

WHEREAS, in 2010, after a rigorous RFP process with the aid of an outside consultant, the City entered into contracts with Tyler Technologies, Inc. ("Tyler") to purchase software and implementation services for a comprehensive Enterprise Resource Planning System (ERP) described in RES-09-00976 (ID # 16595); and

WHEREAS, the implementation has been ongoing but has experienced significant delays; and

WHEREAS, the City has identified software deficiencies but also has requested additional needs for functionality that were discovered during the implementation; and

WHEREAS, Finance, IT and City Attorney staff have conducted negotiations with Tyler to agree on a plan to develop additional software to meet our needs and "go-live" with the Core Financials and Payroll/HR/Finance portions of the ERP system ("Revised Tracks I and II") by January 1, 2015; and

WHEREAS, the project to-date remains within the authorized project budget; and

WHEREAS, the City has suspended payments to Tyler and no payments will be made until and unless successful go-live is reached by January 1, 2015. The City has offered to pay a \$250,000 incentive fee in lieu of hourly services fees for the additional project management work, if timely go-live is achieved and the authorized budget has sufficient funds to pay the incentive fee;

NOW, THEREFORE, the Mayor and City Clerk are authorized to sign an amendment to the original Tyler contracts that extends the go-live date for Revised Tracks I and II to January 1, 2015 and includes a \$250,000 incentive fee as described above, in a form approved by the City Attorney.