



## Staff Report

August 7, 2023 Council Workshop Meeting

PACE (Tyler Technologies ERP) Financials Module Go-Live Presentation

Presenter: Cathy Huber Nickerson, Finance Director

Time Estimate: 10 minutes

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**BACKGROUND:** The simplest way to understand what an ERP solution is to think of the core systems which supports the whole city. These include accounting, human resources, procurement, capital assets, building, inventory, budget, and customer request management. ERP solutions integrate all these functions into a single system.

The City purchased a Software-as-a-Service (SaaS) solution in which the ERP is hosted centrally with the vendor and licensed on a subscription basis. This solution saves the City money with hardware, staffing and support. Council approved the contract November, 2021.

The staff has researched different ERP systems, viewed demonstrations, interviewed peers, conducted site visits, and attended trainings. Staff is recommending acquiring Tyler Technologies Munease, EnerGov, and EAM products for the ERP system. Tyler Technologies is on the Washington State Sourcewell list and has provided a quote to the City. Council also received a demonstration by Tyler Technologies on August 16, 2021.

Staff has completed negotiations with Tyler Technologies with a five-year contract for acquiring, implementing, and utilizing the full ERP system for \$3,314,513. This contract pricing is broken down between ongoing and one-time costs as:

SaaS Annual Fee Includes Ongoing Costs of \$284,380 annually	\$1,421,900
Professional Services One-Time Costs	\$1,381,850
3 <sup>rd</sup> Party Items One-Time Costs	\$8,013
Travel for Tyler One-Time Costs	\$66,000
Optional Items Includes Ongoing Costs of \$77,690	\$436,750
<b>Grand Total</b>	<b>\$3,314,513</b>

Staff proposes funding of the project with an appropriate mix of one-time revenues and ongoing revenues as summarized below:

	Year 1	Annual	5 Year Total
<b>Costs</b>	<b>\$ 1,866,233</b>	<b>\$ 362,070</b>	<b>\$ 3,314,513</b>
Replacement Costs		\$ (93,315)	\$ (373,260)
Subtotal	\$ 1,866,233	\$ 268,755	\$ 2,941,253
ARPA Citizen Self Service	\$ (174,444)	\$ (70,244)	\$ (455,420)
Subtotal	\$ 1,691,789	\$ 198,511	\$ 2,485,833
ARPA Cybersecurity	\$ (500,000)	\$ (125,000)	\$ (1,000,000)
<b>Total Costs to Allocate</b>	<b>\$ 1,191,789</b>	<b>\$ 73,511</b>	<b>\$ 1,485,833</b>
General Fund	\$ 302,089	\$ 25,345	\$ 403,467
Community Development	\$ 403,382	\$ 46,118	\$ 587,853
Streets	\$ 25,759	\$ 50	\$ 25,958
CWFD	\$ 71,910	\$ 83	\$ 72,242
Stormwater	\$ 34,395	\$ 55	\$ 34,614
Solid Waste	\$ 108,795	\$ 30	\$ 108,915
Water	\$ 134,235	\$ 890	\$ 137,795
Sewer	\$ 111,224	\$ 941	\$ 114,989
<b>Total</b>	<b>\$ 1,191,789</b>	<b>\$ 73,511</b>	<b>\$ 1,485,833</b>

This project began in March 2022 with planning and scoping of the project. Currently, one module is complete with Human Resource Management and Enterprise Licensing and Permitting in progress.

**SUMMARY:** This presentation is to bring the City Council and the community current with the history of the project and the status of the project both from project milestones and budget. Staff will address questions and concerns of Council.

**BENEFITS TO THE COMMUNITY:** The intent in investing in a new ERP solution is to save the taxpayers money in greater efficiencies, provide transparency and enhanced service delivery.

The ERP system should provide as much self-service and transparency to allow customers and employee to access data and process transactions remotely.

**POTENTIAL CHALLENGES:** There are several potential hurdles which staff intends to work through with City Council as part of the governance structure charter. A committed governance structure is intended to mitigate risks and obstacles.

**BUDGET IMPACT:** The ERP system will have ongoing as well as one-time costs. Staff will be reviewing the impact to the budget in the presentation and propose the appropriate mix of funding for one-time and ongoing parts of the project. In addition, this system is a city-wide system impacting every employee, every citizen, and every business. As such the costs will be shared across all funds. The use of federal funds from the CARES Act as well as the ARPA funding are budgeted.

**RECOMMENDATION:** This presentation is to provide an update of the project's status to City Council and the community.