Staff Report

November 15, 2021 Council Regular Meeting

Tyler Technologies SaaS Agreement
Presenter: Cathy Huber Nickerson, Finance Director
Time Estimate: 10 minutes

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BACKGROUND: This presentation is to summarize the purpose of acquiring and implementing a new Enterprise Resource Planning (ERP) solution for the City. This presentation will also summarize the City's proposed contract with Tyler Technologies which Council will consider in the Regular Council Meeting tonight.

SUMMARY: 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 is also considering 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.

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
3rd 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
Grand Total		$3,314,513

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
Costs	$ 1,866,233	$ 362,070	$ 3,314,513
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)
Total Costs to Allocate	$ 1,191,789	$ 73,511	$ 1,485,833
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
Total	$ 1,191,789	$ 73,511	$ 1,485,833

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EQUITY CONSIDERATIONS:

What are the desired results and outcomes for this agenda item? The intent of the presentation is to provide City Council information regarding the ERP proposed contract for their consideration in the Regular Council Meeting.

What's the data? What does the data tell us? N/A

How have communities been engaged? Are there opportunities to expand engagement? A communications plan will be developed during scoping.

Who will benefit from, or be burdened by this agenda item? The intent in investing in a new ERP solution is to save the taxpayers money in greater efficiencies, provide transparency and enhanced service delivery.

What are the strategies to mitigate any unintended consequences? A committed governance structure is intended to mitigate risks and obstacles.

Does this agenda item have a differential impact on underserved populations, people living with disabilities, and/or communities of color? Please provide available data to illustrate this impact. This infrastructure project is intended to enable the City to be more transparent, accessible, and understandable to all residents.

Will this agenda item improve ADA accessibilities for people with disabilities? Yes, the systems should provide as much self-service and transparency to allow customers and employee to access data and process transactions remotely.

What potential hurdles exists in implementing this proposal (include both operational and political)? There are several potential hurdles which staff intends to work through with City Council as part of the governance structure charter.

How will you ensure accountabilities, communicate, and evaluate results? Staff intends to outline the strategies to address communication, accountability, and results in a communication plan.

How does this item support a comprehensive plan goal, policy, or other adopted resolution? This item provides open and transparent financial reporting which is a goal of the City's strategic plan and meets best financial practices.

BUDGET IMPACT: See above.

RECOMMENDATION: Staff recommends Council consider the Tyler Technologies SaaS Agreement with the City and move to approve.