



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/4/2025

ITEM NO: 6

DATE: February 27, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Authorize the Town Manager to Execute the Fourth Amendment to the Tyler Technologies Agreement to Reallocate Existing Contracted Services and Increase Compensation by \$58,630 for a New Total Contract Amount Not to Exceed \$1,378,621

RECOMMENDATION:

Authorize the Town Manager to Execute a Fourth Amendment to the Agreement with Tyler Technologies (Attachment 1) to reallocate originally contracted services and increase compensation by \$58,630 for a total contract amount not to exceed \$1,378,621.

BACKGROUND:

The Town of Los Gatos issued a Request for Proposal (RFP) to solicit responses from qualified firms offering proven, integrated solutions to replace the Town's current CentralSquare eFinancePlus Enterprise Resource Planning (ERP) system, specifically in the areas of Finance, Human Resources, Payroll, and Miscellaneous Billing.

Tyler Technologies was the sole respondent to the Town's RFP. An interdisciplinary Town team evaluated their submission based on enhanced reporting capabilities, streamlined workflows, and improved online self-service options for residents, customers, and vendors.

The reviewers also assessed the proposer's demonstration of organizational, functional, and technical capabilities, as well as the experience, expertise, and qualifications necessary to provide a fully integrated and proven ERP solution to include both implementation and ongoing maintenance and support. Based on Staff's overall assessment, it was decided to enter into an agreement with Tyler Technologies. Council approved this agreement at its June 21, 2022 meeting (see Attachment 2).

A first amendment was executed on August 17, 2022, to add language to the insurance section of the agreement at the Town Attorney's request (see Attachment 2). A second amendment

PREPARED BY: Sai Kim
Chief Technology Officer

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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was executed on December 6, 2022, to include five years of historical data conversion (see Attachment 2). A third amendment was executed on September 16, 2024, to adjust fees pertaining to product modules that were being added and removed as well as additional project management hours (see Attachment 2).

DISCUSSION:

Staff have continued to work with Tyler Technologies on the implementation of the new ERP system. The go-live date of the new ERP system has been adjusted to the summer of 2025 due to ongoing delays with the data conversions and as the next opportune time to cutover to the new ERP system.

After a detailed comprehensive review of the remaining project plan, it was determined that additional implementation days were required to safely ensure all remaining tasks were completed for a successful go live.

Staff identified unused hours from prior allocations that can support the remaining implementation tasks. These hours require reclassification for remote implementation and project management, which is included in this amendment. (See Attachment 1 – Fourth Amendment to Tyler Technologies Agreement, Exhibit 1, Schedule A).

In addition to this reclassification of hours, Staff recommends reserving 40 more days (320 hours) of remote implementation time in case it is needed to ensure a smooth and successful implementation; any unused time will not be billed. (See Attachment 1 – Fourth Amendment to Tyler Technologies Agreement, Exhibit 1, Schedule B).

Executing this amendment will increase the total agreement amount by \$58,630 to \$1,378,621.

CONCLUSION:

Staff recommends authorizing the Town Manager to execute the Fourth Amendment (Attachment 1) increasing compensation by \$58,630, bringing the total contract amount to a maximum of \$1,378,621.

FISCAL IMPACT:

Sufficient funds for this amendment are available in the project budget. The following table details the original agreement authority and subsequent amendments.

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Original - Tyler Agreement		\$ 1,261,061
Second Amendment - Tyler Agreement		
General Ledger Conversion	\$	33,000
Total Additional Cost of the Second Amendment	\$	33,000
Total Tyler Agreement with the Second Amendment	\$	1,294,061
Third Amendment - Tyler Agreement		
Tyler Payment Implementation		
<i>Integration Fee (Annual FY 2024/25 - FY 2026/27)</i>		
Cashiering API	\$	10,797
SnapLogic- Up to 5 Integrations	\$	12,000
<i>Additional Equipment</i>		
5 Printer (TM -S9000II)	\$	8,115
5 Cash Drawers	\$	1,300
5 Payments Lane 7000 Terminals	\$	2,645
<i>Annual PCI Service Fee (FY 2024/25 - FY 2026/27)</i>		
5 Payments PCI Service Fee per Equipment	\$	2,700
<i>Professional Services</i>		
Project Management	\$	1,480
Remote Implementation	\$	7,400
Removal of Modules Not Required		
<i>Annual Service Fee (FY 2024/25 - FY 2026/27) Removed</i>		
Bid Management	\$	(6,726)
Contract Management	\$	(6,678)
Business License	\$	(13,203)
Data Conversion		
General Ledger Conversion Credit	\$	(5,000)
Extended Project Timeline		
Additional Project Management Hours	\$	11,100
Total Additional Cost of the Third Amendment	\$	25,930
Total Tyler Agreement with the Third Amendment	\$	1,319,991
Fourth Amendment - Tyler Agreement		
Tyler Payment Implementation		
<i>Project Management Hours (Exhibit 1, Shedule A)</i>		
62 Project Management Hours Removed	\$	(11,470)
304 Onsite Implementation Hours Removed	\$	(63,840)
260 Remote Implementation Hours Added	\$	48,100
144 Project Management Hours Added	\$	26,640
<i>Project Change Request (Exhibit 1, Schedule B)</i>		
320 Additional Project Management and Remote Hours Needed	\$	59,200
Total Additional Cost of the Third Amendment	\$	58,630
Total Tyler Agreement with the Third Amendment	\$	1,378,621

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ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Fourth Amendment to Tyler Technologies Agreement
2. Original Agreement and First, Second, and Third Amendments to Tyler Technologies Agreement