



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/20/2024

ITEM NO: 8

DATE: August 12, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Execute a Third Amendment to the Agreement with Tyler Technologies to Increase Compensation by \$25,930 for a Total Contract Amount Not to Exceed \$1,320,991.

RECOMMENDATION:

Authorize the Town Manager to execute a third amendment (Attachment 1) to the agreement with Tyler Technologies to increase compensation by \$25,930 for a total contract amount not to exceed \$1,320,991.

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 FinancePlus Enterprise Resource Planning (ERP) system, specifically in the areas of Finance, Human Resources, Payroll, and Miscellaneous Billing.

Tyler Technologies was the only respondent to the Town's RFP. The response to the RFP was reviewed by an inter-disciplinary Town team, evaluating the submittal based on enhanced reporting capabilities, streamlined process workflows, and self-service online services 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).

PREPARED BY: Sai Kim
Chief Technology Officer

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

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SUBJECT: Authorize the Third Amendment to the Tyler Technologies Contract

DATE: August 12, 2024

BACKGROUND (continued):

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 3). A second amendment was executed on December 6th 2022, to include five years of historical data conversion (see Attachment 4).

DISCUSSION:

Staff has been working with Tyler Technologies on the implementation of the new ERP system. During the process of completing various analysis on the current and future state of the new ERP system, staff went through a deeper dive into the available modules. Through this assessment, staff identified modules that did not fit the Town's needs. The Town successfully outsourced the business license processing so there is no longer a need for the Business License module. The Contract and Bid Management modules were identified as solutions that did not fully meet the Town's requirements. An alternative solution was identified for the managing contracts and bids which has since been implemented.

Additionally, the Town had to identify the online credit card processor solution as the implementation progressed further. This resulted in the addition of the Payment Processing module with third-party credit card processors which is included in this contract amendment. The third-party credit processing fees will be passed to the customers and the fee schedule will be updated prior to go-live. The amendment includes the additional equipment required. As a result of the extended go-live date, additional project management time was also required. Tyler Technologies has also provided a credit of \$5,000 due to the challenges they are facing with the detailed General Ledger conversion.

This amendment will increase the total agreement amount \$25,930. The breakdown of additional cost is shown on the next page.

SUBJECT: Authorize the Third Amendment to the Tyler Technologies Contract

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DISCUSSION (continued):

Third Amendment - Tyler Agreement		Cost
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

CONCLUSION:

Authorize the Town Manager to execute a Second Amendment to the Agreement with Tyler Technologies to increase compensation by \$25,930 for a total contract amount not to exceed \$1,320,991.

FISCAL IMPACT:

Sufficient funds for this amendment are available in the project budget.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Third Amendment to Tyler Technologies Agreement (Exhibit 1 Tyler Quote)
2. Original Agreement Tyler Technologies Agreement
3. First Amendment to Tyler Technologies
4. Second Amendment to Tyler Technologies