



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/16/2026

ITEM NO: 3

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DATE: June 16, 2026  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Authorize the Town Manager to Execute a Fifth Amendment to the Agreement with Tyler Technologies to Add the Accounts Receivable API Toolkit for \$5,696 with a Contract Amount Not to Exceed \$1,384,317 and to Update the Insurance Language**

RECOMMENDATION: Authorize the Town Manager to execute a Fifth Amendment to the agreement with Tyler Technologies to add the Accounts Receivable API Toolkit for \$5,696 with a contract amount not to exceed \$1,384,317 and to update insurance language.

FISCAL IMPACT:

Approval of the fifth amendment will increase the Tyler Technologies agreement by \$5,696. Sufficient funding for this amendment is available in the Fiscal Year 2026-27 Information Technology budget.

STRATEGIC PRIORITY:

This action supports the 2025–2027 Strategic Priority of Prudent Financial Management (Core Goal: Fiscal Stability). Automating permit payment reconciliation between the Accela permitting system and the Tyler ERP reduces manual administrative burden and reconciliation error risk, supporting operational efficiency and financial accuracy.

BACKGROUND:

The Town of Los Gatos entered into an agreement with Tyler Technologies on June 21, 2022, for an Enterprise Resource Planning (ERP) solution and implemented the system on June 1, 2025. 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. A second amendment was executed

PREPARED BY: Sai Kim  
Chief Technology Officer

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

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on December 6, 2022, to include five years of historical data conversion. A third amendment was executed on September 16, 2024, to add payment processing integration and equipment, adjust fees for modules being added and removed, apply a \$5,000 credit from Tyler Technologies for data conversion challenges, and add additional project management hours. A fourth amendment was executed on March 4, 2025, to reallocate originally contracted services and increase compensation by \$58,630, bringing the total contract amount to \$1,378,621.

DISCUSSION:

As part of the ongoing Tyler ERP implementation, Staff has identified the need to integrate the Town’s Accela permitting system with the Tyler ERP system to enable automated permit payment reconciliation. Currently, permit payments processed through Accela require manual transfers into the Town’s financial ERP system, creating additional administrative burden and increasing the risk of reconciliation errors.

To facilitate this integration, Tyler Technologies has quoted the Accounts Receivable (AR) API Toolkit, which provides the necessary application programming interface (API) connectivity between the Accela permitting platform and the Tyler ERP system. Once in place, the AR API Toolkit will allow permit payment data to flow automatically into the ERP’s accounts receivable module, eliminating manual data entry and enabling real-time reconciliation of permit revenues.

The annual SaaS fee for the Accounts Receivable API Toolkit is \$5,696 (Attachment 1). The toolkit includes 8 free hours of API Development Consulting to support the initial integration setup. There are no one-time or implementation fees associated with this addition.

The following table details the original agreement authority and subsequent amendments.

| <b>Agreement / Amendment</b>  | <b>Amount</b>  | <b>Cumulative Total</b> |
|---|----------------|-------------------------|
| Original Agreement (June 21, 2022)  | \$1,261,061    | \$1,261,061             |
| First Amendment – Insurance language (Aug 17, 2022)   | \$0            | \$1,261,061             |
| Second Amendment – Historical data conversion (Dec 6, 2022)                                 | \$33,000       | \$1,294,061             |
| Third Amendment – Payment processing, module adjustments, hardware, PM hours (Sep 16, 2024) | \$25,930       | \$1,319,991             |
| Fourth Amendment – Implementation hours reallocation (Mar 4, 2025)                          | \$58,630       | \$1,378,621             |
| <b>Fifth Amendment – AR API Toolkit</b>   | <b>\$5,696</b> | <b>\$1,384,317</b>      |

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Working with the Town Attorney's office, staff also identified that an update to insurance language to accept Tyler's certificate of insurance is required. Executing this fifth amendment will increase the total agreement amount by \$5,696 to \$1,384,317 and incorporate the required insurance language.

CONCLUSION:

Staff recommends authorizing the Town Manager to execute the Fifth Amendment, adding the Accounts Receivable API Toolkit at an annual SaaS fee of \$5,696, bringing the total contract amount to a maximum of \$1,384,317 and to update insurance language.

COORDINATION:

These amendments were coordinated between the Information Technology Department and the Finance Department.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Fifth Amendment to Tyler Technologies Agreement
2. Original Agreement and First through Fourth Amendments to Tyler Technologies Agreement