



INFORMATION TECHNOLOGY

To: Mayor and Town Council

From: Leigh Johnson, Director of Information Technology

Through: Ron K. Patterson, Interim Town Manager
Bob Scott, Executive Director of Administrative Services

Re: ERP CSP and Contract

Town Council Meeting – December 13, 2022

Agenda Item:

Consider and act upon awarding CSP 2022-53-A to Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) System Solution for the Town of Prosper; and authorize the Interim Town Manager to execute documents for same.

Description of Agenda Item:

The Town issued CSP 2022-53-A to determine a replacement for our existing expiring STW accounting & Utility Billing systems, Human Resources systems, and the Municipal Court management system. The Town received two (2) responses by the due date and time. The evaluation committee was comprised of staff members from Finance, IT, HR, Utility Billing, Courts, and the ERP selection consultant. After completion of the evaluation process, staff recommends awarding the contract to Tyler Technologies, Inc. for a Software as a Solution (SaaS) “cloud-based” ERP solution, including turn-key implementation services, as the best value that has long-term growth capacity and features capability.

Through extensive negotiations and cooperation with Tyler, the Town was able to get favorable pricing and terms, including the following:

- 15% discount off the current list price for SaaS fees of all models.
- 10-year agreement freezing any increase in SaaS fees to \$0 for first five (5) years, capping any increase at 4% for years 6-8, 5% for years 9 & 10, protecting the Town from potential recession and inflation impacts for the duration of the contract.
- Payment terms based around systems as delivered and services as provided with percent retainage after go-live ensuring quality delivery and completion.
- Recoup costs from replacing other current systems/software annual licensing and support fees that will offset our investment and ongoing costs for ERP.
- Integration with the existing implementation of Tyler’s EnerGov - Enterprise Permitting and Licensing software modules for the Development & Infrastructure Services Department
- Leveraging existing Tyler Payments agreement used for EnerGov to centralize to one payment vendor solution replacing several current disparate processors, slightly reducing the convenience fee passed on to customers.

Budget Impact:

The total cost of the project over the 10-year term is \$5,754,481.00 (see table below). Tyler's agreement amount over this 10-year term is \$5,350,237.00. This is a budgeted item and will be funded from the General Fund. Subsequent annual expenditures will be needed and subject to appropriations granted in future fiscal years.

	Annual Estimates for ERP/Court System Implementation									
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
Finance Module	\$887,808	\$483,565	\$317,520	\$229,868	\$229,868	\$238,454	\$247,992	\$257,912	\$270,808	\$284,348
HR/Payroll Module	\$6,926	\$417,866	\$181,968	\$27,705	\$27,705	\$28,813	\$29,966	\$31,164	\$32,723	\$34,359
Utility Billing Module	\$9,366	\$274,675	\$116,656	\$37,464	\$37,464	\$38,963	\$40,521	\$42,142	\$44,249	\$46,461
Court Management System	\$12,959	\$111,786	\$51,835	\$51,835	\$51,835	\$53,908	\$56,065	\$58,307	\$61,223	\$64,284
Project Contingency (10%)	\$84,429	\$112,573	\$28,143	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL YEARLY	\$1,001,488	\$1,400,465	\$696,122	\$346,872	\$346,872	\$360,138	\$374,544	\$389,526	\$409,002	\$429,452
				TOTAL 5 YEAR	\$3,791,819				TOTAL 10 YEAR	\$5,754,481

Project contingency funds will only be allocated and used when hardware or system costs that have not been selected or identified until the project plan is developed during the first phase of implementation but are determined necessary to the desired full scope and functioning of the systems, are later selected and implemented. The funds may also be applied to installation and deployment services of additional hardware, or for any optional items listed that are later identified as needed, and for any system change orders for the implementation or data conversion that require additional services and expenses beyond the initial estimated budget.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P. has approved the Agreement as to form and legality.

Attached Documents:

1. Tyler Technologies, Inc. Software as a Service Agreement

Town Staff Recommendation:

Town staff recommends awarding CSP 2022-53-A to Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) System Solution for the Town of Prosper; and authorize the Interim Town Manager to execute documents for same.

Proposed Motion:

I move to approve awarding CSP 2022-53-A to Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) System Solution for the Town of Prosper; and authorize the Interim Town Manager to execute documents for same.