



Office of the City Manager

CONSENT CALENDAR
March 28, 2017

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, City Manager

Submitted by: Savita Chaudhary, Director, Information Technology

Subject: Contract: Tyler Technologies for Enterprise Resource Planning (ERP) System

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Tyler Technologies, Inc. for software licensing, implementation, maintenance, and related services for the Enterprise Resource Planning (ERP) System for the City, for an amount not to exceed \$3,313,635 from April 1, 2017 through June 30, 2023.

FISCAL IMPACTS OF RECOMMENDATION

One time funding of \$981,970 to cover the cost of software acquisition will be allocated in the Department of Information Technology budget as part of the Second Amendment to the FY 2017 Annual Appropriation Ordinance.

The appropriation of the remaining contract amount \$2,331,665 for this recommendation will be subject to council approval of the proposed citywide FY 2018 and FY 2019 Budgets and Annual Appropriation Ordinances. The contract has been entered into the City's Contract Management System and assigned CMS No. ADBAS.

Summary:

\$ 981,970	Total FY 2017: Year 1
\$ 1,361,665	Total FY 2018: Year 2
\$ 970,000	Total FY 2019-FY 2023: Year 3 through 5
\$ 3,313,635	Total FY 2017-2023 Contract Value

Breakdown by Fiscal Year:

	Software Licenses: Tyler License Acquisition
\$ 981,970	Budget Code: 609-2702-410-7047
	(ERP Replacement Fund, Information Technology, Software)
\$ 981,970	FY 2017 Total: One-time Software Acquisition

\$ 1,020,425	Professional Services: Implementation Budget Code: 609-2702-410-3038 (ERP Replacement Fund, Information Technology, Professional Services)
\$ 8,000	Hardware: Cashiering Hardware Budget Code: 609-2702-410-7044 (ERP Replacement Fund, Information Technology, Hardware)
\$ 32,000	Professional Services: Forms and Templates Budget Code: 609-2702-410-3038 (ERP Replacement Fund, Information Technology, Professional Services)
\$ 301,240	Professional Services: Contingency Budget Code: 609-2702-410-3038 (ERP Replacement Fund, Information Technology, Professional Services)
\$ 1,361,665	FY 2018 Total: Professional Services, Software Maintenance, and Hardware
\$ 970,000	Software Maintenance: FY 2019 through FY 2023 Budget Code: 609-2702-410-3047 (ERP Replacement Fund, Information Technology, Software Maintenance)
\$ 970,000	FY 2019-2023 Total: Software Maintenance

CURRENT SITUATION AND ITS EFFECTS

The City has invested significant time over the past 2 years preparing for the Enterprise Resource Planning (ERP) software implementation. The needs assessment process included working with the Government Financial Officers Association (GFOA). GFOA worked with City Departments to map “as-is processes” for the preparation and procurement of a modern core ERP system which included developing new “to-be” processes that are modern, streamlined, and followed industry best practices. This process resulted in the City’s evaluation team recommending the City to proceed with Tyler Technologies. Tyler’s system, Munis, will provide Financial, Human Resources and Payroll solutions for the City and will replace the core services currently supported through SunGard HTE system.

The City developed specific requirements for the requested system and published Request for Proposal (RFP) No. 16-11012-C. Notices were sent to an extensive list of ERP solution providers. The City received three (3) responses. Once proposals were evaluated by a multi-departmental team, two vendors were elevated to the demonstration phase, and subsequently to the discovery phase. All staff were invited to

view product demonstrations and provide feedback. The City's evaluation team scored each phase of the process and Tyler Technologies received the highest scores, and is ultimately the evaluation team's recommended vendor.

BACKGROUND

Since 1991, the City has used the SunGard Public Sector (formerly HTE) solution for financials, budgeting, and payroll functions. In May 2015, the City contracted with the Government Finance Officers Association (GFOA) for a review of its current financial processes. GFOA was also tasked to identify areas for improvement and recommend business process changes to implement a modern ERP to provide improved core financial, HR and payroll processes. This assessment led to the determination that a new enterprise system will improve integration, reporting and roll-up capabilities, organizational processes, and allow for the implementation of business process best practices.

On January 26, 2016, Council authorized staff to release a RFP to solicit proposals to replace FUND\$. The City designated a dedicated team to lead the replacement process from evaluation to procurement, and through the implementation of a new ERP system.

On May 27, 2016, the City issued an RFP for a new ERP Software and Implementation services. The City engaged in the RFP process to identify and select a qualified company to provide a comprehensive, fully integrated, public sector ERP system that meets the City's functional scope that includes Core Financials, Purchasing, Human Resources, Payroll, Budget Preparation, Time Entry, and Benefits Administration.

The City's dedicated implementation team consists of subject matter experts with varied experience, and a change manager whose primary focus is to work with staff through changes as the new system is designed and implemented. This team is working with the Department of Information Technology to create a defined governance process that ensures the product is aligned with proposal requirements and that business process decisions are approved and documented. The City implementation team will utilize multiple communication tools to ensure staff and Council are kept up to date throughout the process. The ERP replacement project is also accounted for in the IT Department's Digital Strategic Plan. The details can be found in the Council Work Session (http://www.cityofberkeley.info/Clerk/City_Council/2016/11_Nov/Documents/2016-11-15_WS_Item_01_Digital_Strategic_Plan.aspx) dated November 15, 2016.

ENVIRONMENTAL SUSTAINABILITY

The adoption and implementation of a modern ERP system will reduce the amount of paper used in processing the City's business activities. The new system will also reduce the paperwork involved in timesheet processing for the City employees. The current system runs on physical hardware infrastructure which is leased, and with the new system will operate as virtual infrastructure thus reducing the City's carbon footprint.

Additionally, the resulting automation and process changes, although not directly related, will help reduce paper based processes and travel associated with on-site visits to City offices, and reduce the amount of paper used in place of online applications, payments, etc. resulting in an environmentally-sound and cost effective information technology infrastructure.

RATIONALE FOR RECOMMENDATION

Tyler Technologies received the highest rankings by the selection team. Based on the evaluation, Tyler Technologies is deemed to be the best overall fit and value for the City of Berkeley's ERP system.

ALTERNATIVE ACTIONS CONSIDERED

Because Tyler Technologies received the highest rankings by the selection team, no other alternative actions were considered.

CONTACT PERSON

Savita Chaudhary, Director, Information Technology, 510-981-6541

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: TYLER TECHNOLOGIES FOR ENTERPRISE RESOURCE PLANNING
(ERP) SYSTEM

WHEREAS, on May 27, 2016, the City issued a Request for Proposals (RFP) for an Enterprise Resource Planning (ERP) Software and Implementation (Specification No.16-11012-C) and received 3 vendor responses; and

WHEREAS, in May 2015, the City contracted with the Government Finance Officers Association (GFOA) for a review of its current financial processes; and

WHEREAS, on January 26, 2016, Council authorized staff to release a RFP to solicit proposals to replace FUND\$; and

WHEREAS, on May 27, 2016, the City issued an RFP) No. 16-11012-C, for a new ERP Software and Implementation services; and

WHEREAS, the RFP review committee evaluated each proposal and determined that the Tyler Technologies Inc. proposal best met the City's operational, technological, and fiscal requirements; and

WHEREAS, one time funding of \$981,970 will be allocated in the Department of Information Technology FY2107 ERP Replacement Fund 609-2702-410-7047, and remaining contract amount \$2,331,665 will be allocated in FY 2018 and FY 2019 in budget codes 609-2702-410-3047, 609-2702-410-7044, and 609-2702-410-3038, and the contract has been entered into the City's Contract Management System and assigned CMS No. ADBAS.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract with Tyler Technologies, Inc. for software licensing, implementation, maintenance, and related services including a 10% contingency for the Enterprise Resource Planning System for the City, in an amount not to exceed \$3,313,635 from April 1, 2017 through June 30, 2023.

