City of Pflugerville

Legislation Text

Discuss and consider action to approve an agreement with Tyler Technologies, INC. for Enterprise Resource Planning (ERP) software in the total amount of $1,977,117, and authorize the City Manager to execute the same.

An Enterprise Resource Planning (ERP) software refers to a type of software that organizations use to manage day-to-day business activities such as financials, operations, and human resources activities. ERP systems tie together a multitude of business processes and enable the flow of data between them. By collecting an organization's shared transactional data from multiple sources, ERP systems eliminate data duplication and provide data integrity from a single source. Today, these systems are critical for all sizes of industries including local government. For the past 16 months, the City has been evaluating needs and vendors to find an upgrade to the City's 10+ year old ERP software is now considered legacy software that is now largely unsupported by the manufacturer. A modern ERP will help streamline processes, improve productivity and provide enhanced reporting capabilities.

In September 2020, the city started by performing a gap analysis with the assistance of Plante & Moran. After 5 months of information gathering and collaboration, a Request for Proposals (RFP) was created to identify the best suited cloud-based ERP system for the City. Cloud-based was recommended as a future solution that many cities are beginning to move toward for a variety of reasons such as improved scalability, implementation efficiencies, ease of access and reduced strain on IT resources.

From the RFP, seven proposals were received representing different implementers in March 2021. Stakeholders in Information Technology, Finance, People & Culture, and Utility Billing departments were asked to review the proposals and evaluate. As a result, four of the proposals were selected to provide demonstrations of their software in Summer 2021. These four systems represented software from Oracle, Microsoft Dynamics + UKG, Cayenta, and Tyler Munis.

Following completion and evaluation of the demonstrations from all four vendors, two vendors were selected for final evaluation: Sierra Cedar (Oracle) and Tyler Technologies (Munis). In July 2021, reference calls and questionnaires were distributed to various cities to aid in the city's final evaluation. Once all references were received, final evaluation was held late August 2021 with Tyler Munis selected as the best overall software for the city's needs. Staff brought this recommendation to Council and received approval on September 14th to move forward with contract negotiation with Tyler Munis.

With Plante Moran's assistance, the City has negotiated a five-year agreement with Tyler Technologies to provide a SaaS (Software as a Service) ERP solution, the overall costs of which are broken down as follows:

One-time Professional Services	$863,860.00
One-time Hardware, Software, and services fees	$21,292.00

Annual Costs $218,393.00 for 5 years

$800,000 of the American Rescue Plan Act (ARPA) funds received by the City will be allocated towards this project.

The implementation is split into three modules (finance, human resources, utility billing) in a phased approach. Complete implementation of all three modules is estimated to take 21 months to complete.

Prior City Council Action
Approved the selection of Tyler Technologies, Inc for ERP system on September 14, 2021

Deadline for City Council Action
Approval is requested on February 8, 2022

Funding Expected: Revenue __ Expenditure _x_ N/A __
Budgeted Item: Yes _x_ No __ N/A __
Amount: $1,977,117
1295 Form Required? Yes __ No _x_
Legal Review Required: N/A __ Required _X_ Date Completed: _1/26/2021__

Supporting documents attached:
Tyler Technologies ERP Agreement

Recommended Action
Approve the five-year agreement with Tyler Technologies, INC. for new Enterprise Resource Planning (ERP) software in the total amount of $1,977,117, and authorize the City Manager to execute the same.