



Legislation Details (With Text)

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On agenda: 7/17/2018 **Final action:**

Title: Resolution No. 18-0030 Awarding a Five-Year Contract to Tyler Technologies for Munis Enterprise Resource Planning Solution Not-to-Exceed \$1,192,762; and Resolution No. 18-0031 Awarding a Five-Year Contract to Tyler Technologies for EnerGov Permitting Platform Not-to-Exceed \$552,505 (Information Technology Director Taylor).
ADOPT RESOLUTION NOS. 18-0030 AND 18-0031

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution No. 18-0030, 2. Agreement – Tyler Tech Munis Enterprise Resource Planning, 3. RFP 1123-17 Enterprise Resource Planning System Bid Comparison, 4. Resolution No. 18-0031, 5. Agreement – Tyler Tech EnerGov Permitting/Land Management, 6. RFP 1139-18 Automated Permitting System Bid Comparison

Date	Ver.	Action By	Action	Result
7/17/2018	1	City Council Regular Meeting	accept	Pass

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Sanford Taylor, Information Technology Director
Steve S. Charelian, Interim Finance Director
Teresia Zadroga-Haase, Human Resources Director
Anne McIntosh, Community Development Director
Leilani Emnace, Information Systems Manager
Gwen Eng, Purchasing Manager

SUBJECT:

Resolution No. 18-0030 Awarding a Five-Year Contract to Tyler Technologies for Munis Enterprise Resource Planning Solution Not-to-Exceed \$1,192,762; and Resolution No. 18-0031 Awarding a Five-Year Contract to Tyler Technologies for EnerGov Permitting Platform Not-to-Exceed \$552,505 (Information Technology Director Taylor).

ADOPT RESOLUTION NOS. 18-0030 AND 18-0031

RECOMMENDATION:

Staff recommends that the City Council take the following actions with respect to these proposed projects:

Enterprise Resource Planning

- a) Adopt Resolution No. 18-0030 approving a five-year agreement with Tyler Technologies to provide Munis Enterprise Resource Planning (ERP) with an estimated total value of \$1,192,762; and
- b) Authorize the City Manager to extend the term of the agreement for up to two additional one-year periods, if deemed in the City's best interest.

Permitting Solution

- a) Adopt Resolution No. 18-0031 approving a five-year agreement with Tyler Technologies to provide the EnerGov permitting solution with an estimated total value of \$552,505; and
- b) Authorize the City Manager to extend the term of the agreement for up to two additional one-year periods, if deemed in the City's best interest.

FISCAL IMPLICATIONS:

Enterprise Resource Planning (Tyler - Munis)

The total ERP project cost over the five-year term is estimated to be \$1,267,262. This amount includes \$1,192,762 to Tyler Technologies for Munis ERP software licenses, implementation, conversion and maintenance fees. Also included is a contingency of \$74,500 for a third-party project management professional services firm as a contingency if needed (no firm is being selected, or contract awarded, at this time).

Tyler Technologies ERP contract amount of \$1,192,762 contains \$675,516 in software, conversion and implementation costs, and \$517,246 in annual maintenance fees (these charges are for technical support, software updates, and upgrades) over the five-year term. The maintenance fees for the first year are waived. The maintenance fees for years 2-5 are, on average, \$130,000 annually and will be budgeted accordingly.

Permitting Solution (Tyler - EnerGov)

The total Permitting Solution project cost is estimated to be \$552,505. This amount includes \$365,415 for software, conversion and implementation costs, and \$187,090 for annual maintenance fees over the five-year term. The maintenance fees for the first year are waived. The maintenance fees for years 2-5 are on average \$47,000 annually and will be budgeted accordingly.

BACKGROUND:

Enterprise Resource Planning

The City of Manhattan Beach currently utilizes Tyler Technologies' Eden Financial, Human Resources, and Payroll Software ("Eden"). This solution was first implemented in 1997. Throughout the years, several enhancements and modules have been added including the recent implementation of Tyler Technologies' cashiering solution. Current Eden Financial modules include:

- General Ledger
- Payroll
- Budgeting
- Accounts Payable
- Accounts Receivable
- Cashiering

- Purchasing
- Utility Billing (Water/Sewer, Refuse)
- Business/Animal Licensing

The Eden Human Resources (HR) functions being utilized include:

- Employee Maintenance
- Performance Evaluation Management
- Benefit Enrollment
- Employee History
- Training records

Staff has determined that additional investments in these systems for project accounting, fixed assets, inventory, applicant tracking, transparency, and electronic workflows are needed as recommended in the Information Systems Master Plan (ISMP). However, before committing to these investments, staff concluded that an evaluation of the existing Eden platform was necessary, as well as a review of alternative solutions to ensure that the City is operating efficiently and keeping up-to-date with current technological advances.

Once it became evident that Tyler Technologies would no longer be developing enhancements for the Eden product, staff issued a RFP for a technology consultant to assist in the evaluation of alternative solutions. In July 2016, City Council awarded a contract to Nexlevel, an independent software selection consultant firm, to assess and provide recommendations for an Enterprise Resource Planning system.

The vendor conducted interviews with representatives from all departments and produced a Needs Assessment. This included a list of functional and technical requirements for the ERP platform, a review of existing business processes, recommendations of best practices and process improvement, and a review of system integrations with current software applications used by the City. RFP #1123-17 incorporated the results of the Needs Assessment ensuring the proposed system addresses current and future City needs to further streamline, automate, and enhance business processes across the organization.

Permitting Solution

The City has been utilizing its current permitting solution, Permits Plus, for more than 24 years. In 1999, Accela, Inc. acquired the Permits Plus system. The system is at the end of its lifecycle with no system updates since 2014.

In February 2014, the City Council awarded a contract to Accela for Accela Automation permitting solution. Accela Automation implementation began in March 2014 with an aggressive 18-month project schedule. It was determined that continuing the implementation would require a significant amount of additional funding. Staff presented project options during the City Council meeting on November 1, 2016. The City Council directed staff to issue a RFP for a permitting software solution and forgo the initial implementation of Accela Automation due to lack of resources (loss of four of the six staff members that made up the internal Accela Core Team), insufficient scope of work, changes in leadership, and over-promised original project deliverables by the vendor.

In January 2017, Community Development and Information Technology issued RFP #1111-17 for an

Automated Permitting System Software and Services solution. After a thorough review of the four proposals received, Community Development and Information Technology identified a shortlist of vendors including ViewPoint, MaintStar and Ingram Kern Consulting (an Accela reseller and partner). Product demonstrations and site visits determined these solutions were not fully developed or did not meet the City requirements (i.e. lacking citizen online portal and staff offline mobile application access or cost prohibitive). Subsequently, after identifying additional system sources, the City issued RFP #1139-18 for Automated Permitting System Software and Services Solution in October 2017.

DISCUSSION:

Enterprise Resource Planning

The City received five proposals (RFP #1123-17) from the following vendors (Attachment 3):

- Tyler Technologies
- Harris ERP
- Superion, LLC
- Fast Forward (Robert Bowens)
- Brightpoint Infotech

To ensure the selected solution is the best fit for the City business needs, the vendor proposals were extensively evaluated using the following criteria: prerequisites, compliance, offered features and services, technical capabilities, integration with current City systems, services, and purchase price. After thorough review and assessment, the City identified the top two finalists, Tyler Technologies and Harris. The vendors were invited to present a scripted product demo attended by representatives from each City department. The demonstration script was specifically tailored to meet the City's business requirements so that the vendor presentations were in a comparable format. Additionally, City representatives conducted site visits to local municipalities (Culver City and Chino) to not only observe the system in use, but also to survey the organizations about vendor and system performance and implementation experience.

Based on the proposal evaluations, software demonstrations, reference checks, and additional due diligence review, Tyler Technologies' Munis ERP solution was selected as the best suited to meet the City's needs. The vendor has been providing public sector solutions for more than 30 years. The selected Munis system is currently installed or being implemented in more than 70 public sector organizations throughout the State of California, including the cities of Rancho Palos Verdes, Long Beach, Newport Beach, Pasadena, Carson, and Chino Hills.

The proposed solution offers a balanced approach between function and technology advancements consistent with the City's requirements. In addition, substantial cost savings are offered by utilizing Tyler's Evergreen Development Philosophy (perpetual upgrade process), which applies not only toward the replacement of existing Eden modules with similar Munis modules at no additional charge to the City, but also for future system module enhancements and/or upgrades as part of the system's annual maintenance.

Tyler Technologies' Munis ERP Financial software offers many benefits including:

- Enhanced Financial and Human Resources versions of the modules currently used in Eden platform with improved search/drill-down/drill-across functionality and modern, user-friendly

interfaces

- Added core modules:
 - Citizen Self Service: Provides residents with web-based access to municipal services like viewing / paying bills and permit applications; allows a single payment or shopping cart for multiple bills
 - Transparency Portal: Provides increased transparency by delivering meaningful financial information to the public; organizes the data into graphs and charts and filters by category, department, function, or fund
 - Recruiting: Allows online applications, applicant tracking, and an interview self-scheduling functionality
 - Capital Assets: Tracks investments in fixed assets, assists with capital planning replacement and enhancements, calculates depreciation (all critical tasks currently done in Excel)
 - Contract Management: Allows contract creation and approval, tracks insurance information and has multi-year contract capabilities
 - Inventory: Reports and tracks all inventory and costs; integrates with handheld scanners to barcode and issue inventory (all critical tasks currently done in dBase)
 - Project and Grant Accounting: Allows multi-year tracking of budgets, expenditures, and revenues for capital improvement projects, grants, and special programs (all critical tasks currently done in Excel)
- Employee self-service function for HR and Payroll modules
- Enhanced electronic workflow management capabilities for all core modules and integration of modules
- Integration with Microsoft Excel (seamless download/upload capabilities) and Outlook for electronic workflow routing
- Integration with existing external City systems, i.e. Neptune (water meters), ActiveNet (Parks and Recreation class registration system), Telestaff (Fire automated scheduling software), Delta Dental (dental benefits carrier), ESRI GIS (mapping and spatial data analytics software), RTA (Public Works fleet management software), etc.
- Compliance with National Institute of Standards and Technology (NIST) security standards

Currently, Eden Financial software annual maintenance is \$68,458 with average yearly increases of 6%. Munis ERP support costs with a 5% estimated annual increase for the next 5 years is estimated as:

- Year 1 - No maintenance charge for the first year
- Year 2 - \$120,259
- Year 3 - \$126,097
- Year 4 - \$132,227
- Year 5 - \$138,663

The ERP yearly maintenance cost is allocated between the IT Fund (about 83%) and the Enterprise Funds (estimated 17% for water, sewer, refuse, and parking activities). The increased cost of Munis maintenance is due to additional, new core modules not currently owned by the City such as Capital Assets, Contract Management, Inventory Management, Project and Grant Accounting, Human Resources Applicant Recruiting, Content Manager, and Transparency Portal.

System Requirements (ERP and Permitting)

Information Technology has identified the system requirements as follows:

- Servers (Munis up to 250 users; EnerGov up to 100 users): Munis ERP requires eight servers (four production servers; four testing/training servers); EnerGov Permitting requires eight servers as well (four production servers; four testing/training servers). The approximate cost for the hardware is \$17,000, which will be accommodated by the Information Technology budget; the servers will be virtualized and included in the virtual server environment.
- Storage: IT Fiscal Year 2018-2019 budget includes the replacement of the enterprise Storage Area Network (SAN) and backup solution to accommodate the current and future City network growth including ERP and Permitting systems. The estimated projects fixed cost for storage is \$30,000.
- Software (Munis up to 250 users; EnerGov up to 100 users): The approximate cost for the related Munis and EnerGov server software is \$24,300.

In total, the approximate cost for the necessary servers, storage and software to host Munis ERP and EnerGov Permitting solutions on site is \$71,300, which has been included in the FY 2018-19 budget (these items will be purchased under separate contracts).

ERP Dedicated Resources

During site visits to similar local government agencies currently using the proposed Munis solution, the need for experienced project staff was evident as they explained their implementation processes. Even though Tyler Technologies uses a reliable implementation methodology and seasoned product expert teams, the success of the ERP implementation is ultimately dependent upon committed internal staffing resources from start to finish to ensure a strong foundation and functionality going forward.

The Information Technology Director will serve as the Project Manager with support from the IT Senior Management Analyst and IT Analyst. The Finance Director and Human Resources Director will be the system administrators for the ERP. The Directors will not only ensure consistency across all ERP modules by providing administrative oversight, but also ensure that established policies and practices are maintained and deliverables are completed.

The following staff resources have also been identified as crucial for the project:

- **ERP implementation team:** This team includes the Finance Director, Controller, Senior Financial Analyst, Revenue Services Manager, Purchasing Manager, Senior Accountant, Revenue Services Specialist, Human Resources Director, Human Resources Manager and Human Resources staff. These team members are considered “super users” who have expert knowledge of the current systems and processes, and will be expected to have that role in the new system. These users understand the strengths and weakness of the current system and are in an ideal position to ensure that there is improved functionality in the new system. In addition, given their backgrounds, the team will have a key role in data mapping and conversion. Initially, emphasis will be on timely and functional implementation of the general ledger and payroll modules since those functions are mission critical.
- **Senior Financial Analyst:** An upgrade to the current full-time Financial Analyst position was approved with the adoption of the FY 2018-2019 Budget. Reporting directly to the Finance Director, the Senior Financial Analyst will serve as the ERP project coordinator and be

responsible for working directly with Munis personnel to develop the implementation plan, communicate the plan to internal staff and disseminate information to the internal implementation team through each phase. Responsibilities include, but are not limited to system management, integration, and support; workflow customization and configuration; maintaining timelines; data input and testing; securing support from key subject matter experts; coordination and integration of business requirements into the City's financial system (s); and review of accuracy and integrity of information produced by the City's financial system. Additionally, the Senior Financial Analyst will continue with high-level financial analysis, including budget development, investments, audit and CAFR preparation, financial policies/procedures and supervising the new Management Analyst which was approved in the FY 2018-2019 Budget.

- **Information Technology (IT) Analyst:** With the adoption of the FY 2018-2019 Budget, the IT Department converted a vacant full-time Network Administrator position into a full-time IT Analyst position at no additional cost. This position will serve as a shared resource for the implementation and maintenance of the Enterprise Resource Planning (ERP) system and Permitting solution due to the scale of the projects. The position is vital during system deployment and the production phase by ensuring the overall health and performance of the systems. The IT Analyst will assist with installation and maintenance of these software applications and others. The position will further help with design, development, testing/troubleshooting, and maintenance of the systems. On an ongoing basis, the IT Analyst will provide additional support related to other enterprise applications and/or services such as OnBase Document Management System support, upgrades, module implementations; client - server technology support, implementations, upgrades; network systems support, implementations, updates, replacements; web-based applications support, implementations, updates; SQL server and scripting, etc.

In some instances, public agencies utilize ERP Auxiliary Project Management Professional Services due to the scale and complexity of the Enterprise Resource Planning solution. This temporary external resource is used to complement and support the Project Manager during project implementation to add broader perspective and comprehensive financial expertise from past ERP deployments. This resource typically provides initial project guidance on industry best practices for ERP systems configuration and deployments, assists with project scope of work and deliverables review, ensures maximized use of available resources, identifies project risks and recommends mitigation strategies, and is helpful in identifying gaps in the implementation approach.

At this time, staff believes that with the recent upgrade of the Financial Analyst to Senior Financial Analyst (with the purpose to support the ERP implementation among other tasks), and the addition of a lower level Management Analyst in Finance to assist with budget, audit and other core functions, staffing is sufficient to meet ERP implementation needs for the Finance department (which represents the bulk of the ERP system). However, if at a later date, staff determines that additional assistance in the form of ERP Auxiliary Project Management Professional Services are necessary, staff will solicit proposals and contract for such services (included in the project budget). If the amount exceeds the City Manager's authority, staff will return to City Council for authorization to contract for those ancillary services.

The Munis product supports the City's mission to provide exemplary municipal services to the community through streamlining and automating business practices and approval processes. The system brings a more effective, cost-efficient and connected process that translates into enhanced

collaboration and government transparency. As a result, staff recommends that the City Council: a) adopt Resolution No. 18-0030 approving a five-year agreement with Tyler Technologies for the Munis Enterprise Resource Planning solution with an estimated total cost of \$1,192,762; and b) authorize the City Manager to extend the term of the agreement for up to two additional one-year periods if deemed in the City's best interest.

Upon approval of the agreement, internal preparations for implementation of the new ERP system will begin. The projected timeline for full ERP system deployment is 30 to 36 months.

Permitting Solution

A contemporary enterprise-wide Permitting system provides business automation, improves business processes, supplies online public access and integrates with existing City systems throughout the enterprise. System benefits include:

- Improved customer service
- 24/7 access portal for customers/citizens
- eGovernment and web services with respect to the permitting process
- Increased transparency
- Field staff mobile application access
- Centralized databases and enterprise system integrations
- Streamlined workflows promoting staff efficiency

Three responses were received for the Automated Permitting Solution and Services RFP #1139-18 (Attachment 6). Vendor list included:

- Futurenet Group
- Tyler Technologies
- ViewPoint

All three vendors presented a product demo attended by Community Development and Information Technology department representatives. In addition, staff visited other cities to better understand the proposed system, examine the solution firsthand, and learn about their vendor experience. Based on extensive product evaluations, staff qualifications, software demonstrations, project management methodologies, reference checks, site visits and additional analysis, Tyler Technologies' EnerGov Permitting system was selected as the best suited and most cost-effective solution to address the City's current and future needs. The system will improve service delivery to residents/customers, as well as the overall user experience. It will increase efficiency in the organization by providing online public access, improving workflow, centralizing data and processes in support of permit requests, inspections, and more.

EnerGov Automated Permitting solution highlights include:

- Web-based interaction between City and its customers/citizens
- Online permit, license, inspection, and citizen service requests
- Electronic plan review
- Enhanced workflow capabilities
- City GIS software integration

- A Microsoft-centric platform, including Outlook integration
- New field staff mobile application with real-time access to data and GIS while in the field which will also store and forward data when offline
- Integration with credit card processing
- Integration with Enterprise Resource Planning (ERP) business processes (i.e. accounting, business license, cashiering)

Permitting Application Dedicated City Resources

During the City Council meeting on November 1, 2016, it was indicated that the implementation of a new permitting solution would require dedicated staff to minimize the impact on the Building Department's one-stop-shop daily counter operations. Site visits to other organizations also confirmed the need for dedicated project staff as being instrumental for project success.

Over the past two years, Community Development has filled several vacant positions and is well-positioned to support the execution of a new permitting solution implementation. The Information Technology Director will lead the implementation as the project manager supported by the IT Senior Management Analyst and IT Analyst. The Building Official will be the system administrator for the Permitting application. As a result, staff is confident the project's timeline will be well managed leading to a successful and timely implementation.

Permitting Application Resource Roles

- **Building Services Analyst:** This position will be dedicated initially to the Permitting system implementation and management to secure a strong system foundation and performance. The Analyst will assist with management/coordination, integration, and support for the system between Community Development (Building, Code Enforcement, Planning, and Traffic Engineering) and other City departments. Responsibilities will include, but are not limited to strategic planning, system design agreements, and business processes; translation, coordination and integration of business requirements into the Permitting solution; ensuring the accuracy and integrity of the information produced by the City's Permitting system; reviewing existing environment and proposed enhancements, implementation, testing and training.

The City's current system, Permits Plus, does not support any automated processes for the Planning Division. This Analyst will be instrumental in developing all related workflows, permits, applications, variances and appeals.

Following the implementation, the Analyst will continue to be involved in maintaining the system, analyzing and developing additional process efficiencies, as well as providing vital support to counter operations, streamlining permit intake and processing procedures. The position will also assist with developing, maintaining and improving the integration of various applications and permitting processes within the department and the many tasks associated with the one-stop-shop services at the Building counter. Additionally, the Analyst will support other Community Development assignments as required.

- **Information Technology (IT) Analyst:** As identified before, the IT Analyst was changed from an existing vacant Network Administrator position in the IT department with no cost and staff count changes. The position serves as a shared resource for the implementation and maintenance of the Permitting solution and Enterprise Resource Planning (ERP) system due to the scale and intensity of the projects. The IT Analyst is critical to accomplishing a strong

project implementation and supporting system performance afterwards. The position supports other enterprise applications and/or services as needed such as server operating system, network technology, web-based applications, OnBase Document Management System, SQL server/scripting, etc.

- **Permitting Management Staff Technical Committee:** This is another vital project resource comprised of representatives from each impacted City department. It will include the Building Official from Community Development, City Engineer from Public Works, and Fire Marshal from the Fire Department, as well as other relevant staff. With their understanding and support for the cultural changes necessary, the Management Staff Technical Committee will be instrumental in the project's success and fostering its value throughout the organization. This Committee is a structural project component essential for the implementation and sustainability of the Permitting project objectives, management standards, structures and policies.
- **Permitting Subject Matter Experts Technical Committee:** Representatives from each division associated with the permitting process will provide the technical knowledge to develop efficient and coordinated workflows for the new applicant oriented permitting system. These experts will include personnel from divisions within Community Development, Public Works, Fire, and Finance.

The City's mission of excellent customer service is supported by EnerGov Permitting Solution through streamlining and automating business practices surrounding the permit application and approval process. The solution facilitates a progressive permit process that is more effective and cost-efficient, connects users to available data, assists with collaboration, and promotes transparency. The platform improves the user experience and increases productivity internally from desk to field, but more importantly provides enhanced and streamlined services for our building community.

In conclusion, staff recommends that the City Council: a) adopt Resolution No. 18-0031 approving a five-year agreement with Tyler Technologies to provide the Energov Permitting solution with an estimated total five-year cost of \$552,505; and b) authorize the City Manager to extend the term of the agreement for up to two additional one-year periods if deemed in the City's best interest.

Upon approval of this agreement, the implementation process of the new permitting system will start within four to six months after contract execution. The estimated project timeline is ten to fourteen months.

PUBLIC OUTREACH/INTEREST:

Both of the RFPs were advertised on the City's website as well as BidSync, a public bid notification board.

ENVIRONMENTAL REVIEW

The City has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

LEGAL REVIEW

Contract documents have been signed by the vendor and approved as to form by the City Attorney.

Attachments:

1. Resolution No. 18-0030
2. Agreement - Tyler Tech Munis Enterprise Resource Planning
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