

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> November 21, 2011
	<b>Agenda Item No.</b> 55 <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>11-721</u> <b>Submitted by:</b> Allen McKinley, Deputy City Manager; John Newman, CIO; Scott Sanders, Finance Director; James Wells, Human Resources Director

**AGENDA HEADING:**

Approving the recommendation of the City’s Enterprise Resource Planning (ERP) Selection Committee that Tyler Technologies, Inc. be selected to provide ERP software and related implementation services for the City of Des Moines, and authorizing the City Manager to negotiate a contract with Tyler Technologies, Inc.

**SYNOPSIS:**

As a result of a formal Request for Proposals (RFP) process, the City ERP Selection Committee unanimously recommends entering into an agreement with Tyler Technologies, Inc. (Tyler), Christopher P. Hepburn, President, 370 US Route One, Falmouth, Maine 04105, for the provision of ERP software and implementation services for a project that will result in a city-wide ERP system. If the selection is approved, an agreement will be negotiated with Tyler for this software and services, and staff will return to Council for final approval of the agreement.

**FISCAL IMPACT:**

Amount: \$2,501,939 for ERP Software and implementation services. The entire Enterprise Resource Planning (ERP) replacement project is estimated to cost as much as \$3,500,000 and is included in the CIP. The projected increase to the annual operating budget for software and hardware maintenance and City staff support is \$266,000. This increase in annual costs is expected to begin in Fiscal Year 2014.

Funding Source: 2011-2012 Capital Improvements (CIP) Budget, Miscellaneous Improvements – Page 9, ERP Software Replacement, MSC008, CP051, FIN990000.

**ADDITIONAL INFORMATION:**

At its August 23, 2010 meeting, City Council approved an agreement with Premis Consulting Group for the provision of needs assessment and RFP development services for the acquisition of a new city-wide Enterprise Resource Planning (ERP) solution. City staff, representing all City departments were involved in the needs assessment process that resulted in detailed business and technology requirements that served as the basis of the request for proposals for the selection of an ERP provider.

A presentation was made to the City Council at its February 28, 2011 Workshop. This presentation made by Premis Consulting included the business case for proceeding with the procurement process and the three-tier ERP evaluation process: written evaluation, presentation and product demonstration evaluation, and best and final offer.

Since then, the City's ERP Evaluation Committee has been involved in the ERP selection process. This nine-member City staff committee includes representatives from the departments of Finance, Human Resources, Information Technology, Engineering, Police, and Public Works.

The Evaluation Committee began with evaluation of the bidders' written technical proposals only. The committee did not have access to pricing information at this stage so that proposals would be judged solely on their functional and technical merit. We received five proposals that were evaluated in the written evaluation phase. The top four bidders were advanced to the second round. These four bidders were then invited to make an oral presentation and demonstrate their product. Each bidder presented and demonstrated over a three-day period. The presentations were tightly scripted by business area (e.g., Payroll, Time and Labor, General Ledger, Procurement) so that city subject matter experts could also attend the presentations that pertained to their areas of expertise. Therefore, in addition to the nine-member evaluation committee approximately 75 other members of staff from across the city attended various sessions to view the systems.

Based upon the presentations, product demonstrations and feedback from the other City staff that attended the sessions, the ERP evaluation committee selected the final two bidders to advance to the best and final round of evaluations. As part of the best and final offer process, the bidders were asked to review and adjust their pricing based upon the knowledge that they had gained about the City of Des Moines and its ERP requirements during their presentations and product demonstrations. The bidder with the highest score at the end of the best and final offer round was Tyler Technologies, Inc.

Members of the Evaluation Committee traveled to the City of Davenport and St. Louis County, Missouri to discuss their experience with Tyler Technology and view Tyler's ERP in action. Each of these entities is satisfied that the Tyler ERP solution was the correct choice. Based upon these meetings, the site visit team concluded that the Tyler ERP solution is also the right choice for the City of Des Moines. The team also gained valuable information regarding lessons learned from these two entities in their implementation approach that will be helpful in our project planning and implementation of our ERP.

As a result of this year-long evaluation process, the ERP Evaluation Committee unanimously agreed to recommend the Tyler Technologies ERP to the City Council for their approval.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: August 23, 2010

Roll Call Number: 10-1383

Action: Approving proposal for the provision of needs assessment and RFP development services for the acquisition of a new city-wide Enterprise Resource Planning (ERP) solution, and authorizing the City Manager to negotiate and execute a contract with Premis Consulting Group (Premis), Joel Buege, Principal, 2843 N. Lincoln Ave, Suite 102, Chicago, IL 60657 not to exceed \$187,033 for Phases 1-5, and selecting Premis as the consultant for Phase 6 (implementation).. (Council Communication No. 10-534) Moved by Hensley to adopt. Motion Carried 5-2.

Date: May 10, 2010

Roll Call Number: [10-724](#)

Action: Authority to issue Request for Proposals (RFP) to identify and select a qualified consultant to complete a needs assessment for the acquisition of a new city-wide Business Enterprise software system. (Council Communication No. 10-241) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 17, 2007

Roll Call Number: [07-2425](#)

Action: [Proposal](#) for provision of IT Strategic Planning Services and authorizing City Manager to negotiate and execute contract with Plante Moran, PLLC, \$135,000. ([Council Communication No. 07-750](#)) Moved by Coleman to adopt. Motion Carried 6-1.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Pending approval of this recommendation by City Council, City staff will commence negotiations with Tyler and return to the City Council for final approval of the agreement.

The projected increase to the annual operating budget for software and hardware maintenance and City staff support is \$266,000. This increase in annual costs is expected to begin in Fiscal Year 2014

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).