

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	January 23, 2012
	Agenda Item No. 25 Roll Call No. [_____] Communication No. <u>12-042</u> Submitted by: Allen McKinley, Deputy City Manager; John Newman, CIO; Scott Sanders, Finance Director; James Wells, Human Resources Director	

AGENDA HEADING:

Approving a contract with Tyler Technologies, Inc. to provide Enterprise Resource Planning software (ERP) and related implementation services for the City of Des Moines.

SYNOPSIS:

By Roll Call 11-2018, dated November 21, 2011, City Council approved the City ERP Evaluation Committee’s recommendation that Tyler Technologies, Inc. (Tyler), Christopher P. Hepburn, President, 370 US Route One, Falmouth, Maine 04105, be selected to provide ERP software and implementation services; and authorized the City Manager to negotiate a contract with Tyler. Since then, City staff and Tyler have been involved in the negotiations of the contract for ERP software and related implementation services. The implementation is expected to last for 18 to 24 months.

FISCAL IMPACT:

Amount: \$2,346,014 for ERP Software and implementation services. Included in this contract is a provision for annual maintenance services fees. The initial period of maintenance services will total \$189,889. The annual maintenance services fee will be limited to a maximum annual increase of 3% for the first five years and a maximum annual increase of 5% thereafter for the next five years. The projected increase to the annual operating budget for these maintenance services, 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:

A presentation was made to the City Council at its February 28, 2011 Workshop and 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.

After this business case workshop presentation, the City's ERP Evaluation Committee began 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. Five proposals were received 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.

An ERP project progress report was made to the City Council at its November 21, 2011 Workshop. Included in this update were details of the selection process and the results of the scoring by the ERP Evaluation Committee that resulted in the recommendation of Tyler to provide ERP software and related implementation services for the City of Des Moines.

PREVIOUS COUNCIL ACTION(S):

Date: November 21, 2011

Roll Call Number: 11-2018

Action: [Proposal](#) from Tyler Technologies, Inc. for a City-wide business enterprise software system and authorizing City Manager to negotiate a contract. ([Council Communication No. 11-721](#)) **Moved by Coleman to approve. Motion Carried 7-0.**

Date: August 23, 2010

Roll Call Number: 10-1383

Action: [Proposal](#) from Premis Consulting Group, (Joel Buege/Principal) for consulting services to complete a needs assessment and create a Request for Proposals (RFP) for the acquisition of a new City-wide business enterprise software system and to assist in implementation of new system, \$187,033. ([Council Communication No. 10-534](#)) **Moved by Hensley to approve; Mayor and Council will send a letter to the School Board, Board of Supervisors and the Water Works looking for an opportunity for collaboration. Motion Carried 5-2. Nays: Cownie and Moore.**

Date: May 10, 2010

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

Action: [Issuance](#) of Request for Proposals for consultant services to develop a needs assessment for, and Request for Proposals for, the procurement of a new City-Wide Business Enterprise Software System. ([Council Communication No. 10-241](#)) **Moved by Hensley to approve. 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:

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.

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