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Title: Award a 5-year agreement for Enterprise Resource Planning System and Implementation Services to Tyler Technologies, in the amount of \$11,045,960 for implementation and hosting (Software as a Service) of Financials, Human Capital Management (ERP) and Utility Billing software.

Sponsors: Information Services Department

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Attachments: 1. Committee Evaluation Report, 2. SaaS Agreement with Tyler Technologies, 3. 3650 ERP List of Respondents

Date	Ver.	Action By	Action	Result
1/28/2021	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

January 28, 2021

FROM: BRYON HORN, Chief Information Officer
Information Services Department

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Information Services Department

SUBJECT

Award a 5-year agreement for Enterprise Resource Planning System and Implementation Services to Tyler Technologies, in the amount of \$11,045,960 for implementation and hosting (Software as a Service) of Financials, Human Capital Management (ERP) and Utility Billing software.

RECOMMENDATION

Staff recommends the City Council approve an agreement with Tyler Technologies in an amount not to exceed \$11,045,960 over 5 years for implementation and hosting of Financials, Human Capital Management and Utility Billing software which will replace the City’s current PeopleSoft (Financials and HR) and CentralSquare (Utility Billing) systems; and authorize the Chief Information Officer, or designee, to execute the agreement on behalf of the City of Fresno.

EXECUTIVE SUMMARY

On May 8, 2019, the City released an RFP (#3650) requesting proposals for an Enterprise Resource Planning System and Implementation Services. The RFP received 14 responses. An evaluation committee, working with staff across City departments, narrowed the recommendation to Tyler Technologies. The FY21 budget has \$6,500,000 appropriated for this project. ISD will continue to collect yearly appropriations to pay for the project. An evaluation committee report is included with the agenda package.

BACKGROUND

The City's current PeopleSoft Financials and HRMS systems went live in 1999 and have been maintained and upgraded through the years. During the economic downturn several years ago, the decision was made to move to 3rd party support for PeopleSoft in order to save money. This move saved money but did not allow for the latest patches, fixes and updates to PeopleSoft. The City has reached a crossroads on whether to allocate significant funds to upgrade PeopleSoft to the latest version or seek other solutions to replace it.

The City's current Utility Billing system from CentralSquare (Formerly known as Superion/Sungard/HTE) was originally implemented in 1991. Although it has been maintained and upgraded through the years, CentralSquare's focus has shifted to their other platforms. While the basic utility billing product has remained generally the same, there have not been any significant new features for several years. It also lacks a complete interface with the City's financial system.

In 2017, staff from Personnel, Finance and ISD undertook a process of evaluating the functionality of other Financial and HRMS systems to see if an RFP process to replace PeopleSoft was warranted. An RFI was issued at the time and software vendors who responded were invited to demonstrate their latest solutions. Based on those demonstrations and functionality they experienced, City staff felt it was in the City's best interest to begin the process of looking for replacement Financial and HRMS software. This led to the process of creating RFP #3650 which was released on May 8, 2019. Prior to the release of RFP #3650, the City issued RFP #3595 for consulting services to assist the City in its evaluation, selection and implementation of the Enterprise Replacement project. NextLevel (n/k/a SDI Presence LLC) was selected to assist the City through the process.

Since this is a very large undertaking and impacts the entire City, Personnel, Finance and ISD feel it is important to collaborate with a proven solution provider who has a strong track record in the public sector and specifically with California municipalities. For these reasons staff recommends approval to enter into an agreement with Tyler Technologies.

On May 8, 2019, the City released an RFP Bid File 3650 requesting proposals for an Enterprise Resource Planning System and Implementation Services. The City received 14 responses to the RFP. An internal RFP review committee made up of staff from the City Manager's Office, Personnel, Finance and ISD evaluated the proposals and narrowed the selection down to a list of the top five proposals.

The evaluation committee worked with 36 key City staff to review the top five proposals. Based on feedback that City staff provided to the evaluation committee, the committee narrowed the selection to their top three proposals. The three finalist proposers came to City Hall in January/February 2019 and each was given a week to present their proposed solution as a proof of capability (POC) to key City staff from various departments.

The evaluation committee met to discuss the POC demonstrations and discuss their overall impressions of all three finalists. Based on staff feedback and committee evaluations, the committee unanimously decided to move forward with checking references for Tyler Technologies.

Following positive reference calls with several Tyler customers, the committee unanimously selected Tyler Technologies as their recommended solution.

Staff from Finance, Personnel, ISD, Risk and the City Attorney's Office have further worked with Tyler Technologies to refine the required software components, as well as the terms and conditions of the agreement. At the recommendation of Finance and the evaluation committee, utility billing is being included as an optional product in the agreement which was an add-alternate of the RFP.

The selection process carefully followed provisions and selection criteria in the City's Administrative Order for Contracts and Consultant Services (AO 6-19).

ENVIRONMENTAL FINDING

The approval of this agreement is not a project for the purposes of the California Environmental Quality Act.

LOCAL PREFERENCE

Local preference was not implemented because no local firms responded to the RFP.

FISCAL IMPACT

\$6,500,000 is available in the Information Services Department's (ISD) Systems Replacement Fund (54003) fund balance. ISD currently collects \$1,000,000 each Fiscal Year and will continue to collect these yearly appropriations to pay for the remainder of the Agreement over the 5-year term.

Attachments:

Committee Evaluation Report

SaaS Agreement with Tyler Technologies

3650 ERP List of Respondents