



City of Pembroke Pines, FL

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Agenda Request Form

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**Agenda
Section:**

In Control: City Commission

File Created: 03/25/2019

Short Title: ERP Contract Approval

Final Action: 04/17/2019

Title: MOTION TO APPROVE THE NEGOTIATED CONTRACT WITH TYLER TECHNOLOGIES, INC. FOR AN INITIAL THREE YEAR PERIOD FOR AN AMOUNT NOT TO EXCEED \$7,260,596, PURSUANT TO THE AWARD OF TS-17-04-B "ERP SYSTEM SOFTWARE AND IMPLEMENTATION"

***Agenda Date:** 04/17/2019

Agenda Number: 1.

Internal Notes:

Attachments: 1. Tyler Technologies, Inc.- ERP System Software Service Agreement, 2. Initial 3 Year Term Agreement - Cost Estimate Breakdown, 3. Commission Approval (2019-01-16)

1 City Commission 04/17/2019 approve

Action Text: A motion was made to approve on the Consent Agenda

SUMMARY EXPLANATION AND BACKGROUND:

1. On June 6, 2018, the City Commission authorized the advertisement of TS-17-04-B "ERP System Software and Implementation", which was advertised on June 7, 2018.

2. The purpose of this solicitation was to provide an innovative and effective solution to meet the City's needs for an Enterprise Resource Planning (ERP) system.

3. Please note that the solicitation also included an Student/School Information System (SIS), however the City bifurcated the ERP selection into two separate processes, one for the Student/School Information System (SIS) and the other for the remaining Enterprise Resource Planning (ERP) modules. The City is re-convening the evaluation committee for the Student/School Information System (SIS) portion of the project, and an update for that project will be brought back to the City Commission at a future date. The negotiated agreement in this agenda item is strictly for the Enterprise Resource Planning (ERP) portion and does not include the Student/School Information System (SIS).

4. On January 16, 2019, the City Commission approved the findings and recommendation of

the evaluation committee and awarded the Enterprise Resource Planning (ERP) portion of RFP # TS-17-04-B "ERP System Software and Implementation" to Tyler Technologies, Inc., and directed the City Manager to negotiate a contract for services.

5. Shortly thereafter the City commenced negotiations with Tyler Technologies, Inc.

6. The initial term of the agreement is for three years from the first day of the first month following the date that the authorized representatives from both parties have signed the agreement. In addition, the agreement will renew automatically for additional one year renewal terms at the then-current SaaS Fees unless terminated in writing by either party at least sixty days prior to the end of the then-current renewal term. The agreement also includes various termination clauses, including the option for the City to terminate the agreement for convenience upon thirty days advance written notice.

7. Below is a summary of the annual Software as a Service (SaaS) Licensing Fees as shown in Exhibit B "Invoicing and Payment Policy" of the agreement:

Contract Year	SaaS Licensing Fees
1	\$ 899,389
2	\$ 1,279,181
3	\$ 1,367,956
Total	\$ 3,546,526

If the City renews the agreement for years 4, 5 and 6, the agreement holds the SaaS Licensing Fees at the annual cost of \$1,367,956.

8. In addition to the SaaS Licensing Fees, the agreement also addresses the following one time fees:

Description	One-Time Estimated Fees
Implementation / Other Services	\$ 2,639,400
Conversion Costs	\$ 258,250
3rd Party Hardware, Software and Services	\$ 14,630
Travel Expenses	\$ 801,790
Total Estimated One Time Fees	\$ 3,714,070

The amounts above are estimated fees and will be billed based on actuals incurred. In the event that the actuals exceed the estimated amounts, a change order will be processed. The estimated one time costs above are broken down into the following contract year costs, based on the estimated project timeline and estimated resources needed:

Contract Year	One-Time Estimated Fees
1	\$ 1,784,464
2	\$ 828,788
3	\$ 1,100,818

Total \$ 3,714,070

9. As a result, the total estimated amount for the initial three year period is:

Contract Year:

Contract Year	SaaS Licensing Fees	One-Time Estimated Fees	Total Estimated Fees
1	\$ 899,389.00	\$ 1,784,464.00	\$ 2,683,853.00
2	\$ 1,279,181.00	\$ 828,788.00	\$ 2,107,969.00
3	\$ 1,367,956.00	\$ 1,100,818.00	\$ 2,468,774.00
Total	\$ 3,546,526.00	\$ 3,714,070.00	\$ 7,260,596.00

Fiscal Year:

Fiscal Year	SaaS Licensing Fees	One-Time Estimated Fees	Total Estimated Fees
2018-19 (5 months)	\$ 899,389.00	\$ 752,060.83	\$ 1,651,449.83
2019-20 (12 months)	\$ 1,279,181.00	\$ 1,377,731.50	\$ 2,656,912.50
2020-21 (12 months)	\$ 1,367,956.00	\$ 1,095,025.22	\$ 2,462,981.22
2021-22 (7 months)	\$ 0.00	\$ 489,252.45	\$ 489,252.45
Total	\$ 3,546,526.00	\$ 3,714,070.00	\$ 7,260,596.00

10. Request Commission to approve the negotiated contract with Tyler Technologies, Inc., for an initial three year period for an amount not to exceed \$7,260,596, pursuant to the award of TS-17-04-B "ERP System Software and Implementation".

FINANCIAL IMPACT DETAIL:

- a) **Initial Cost:** \$7,260,596 for an initial three year period.
- b) **Amount budgeted for this item in Account No:** There is \$1,651,450 available in account # 1-513-2002-306-64051 (Computer programs) for the current fiscal year expense. The cost for future years will be included in the Annual Budgets for those years.
- c) **Source of funding for difference, if not fully budgeted:** Not applicable.
- d) **5 year projection of the operational cost of the project:** The initial term of the agreement is for three years from the first day of the first month following the date that the authorized representatives from both parties have signed the agreement. In addition, the agreement will renew automatically for additional one year renewal terms at the then-current SaaS Fees unless terminated in writing by either party at least sixty days prior to the end of the then-current renewal term. If the City renews the agreement for years 4, 5 and 6, the agreement holds the SaaS Licensing Fees at the annual cost of \$1,367,956.

	Current FY 5 months 5/2019-9/2019	Year 2 12 months 10/2019-9/2020	Year 3 12 months 10/2020-9/2021	Year 4 7 months 10/2021-4/2022	Total
Revenues	N/A	N/A	N/A	N/A	N/A
SaaS Fees	\$ 899,389.00	\$ 1,279,181.00	\$ 1,367,956.00	N/A	\$3,546,526.00
One-Time Fees	\$ 752,060.83	\$ 1,377,731.50	\$ 1,095,025.22	\$489,252.45	\$3,714,070.00
Net Cost	\$1,651,449.83	\$2,656,912.50	\$2,462,981.22	\$489,252.45	\$7,260,596.00

e) Detail of additional staff requirements: Not applicable at this time.