



City of Culver City

Staff Report Details (With Text)

File #: 24-488 **Version:** 1 **Name:** CC - CONSENT ITEM: Authorize the Continued Expenditure with Tyler Technologies for the City's

Type: Minute Order **Status:** Consent Agenda

File created: 11/14/2023 **In control:** City Council Meeting Agenda

On agenda: 12/11/2023 **Final action:**

Title: CC - CONSENT ITEM: Authorization of the Continued Expenditure with Tyler Technologies for the Annual Maintenance and Support Fees for the City's Existing Enterprise Resource Planning Program and Associated Modules in an Amount Not to Exceed \$420,000 in Fiscal Year 2023-2024 and Subsequent Years until the Maintenance Agreement is Terminated or Substantially Changed by Either Party.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

CC - CONSENT ITEM: Authorization of the Continued Expenditure with Tyler Technologies for the Annual Maintenance and Support Fees for the City's Existing Enterprise Resource Planning Program and Associated Modules in an Amount Not to Exceed \$420,000 in Fiscal Year 2023-2024 and Subsequent Years until the Maintenance Agreement is Terminated or Substantially Changed by Either Party.

Meeting Date: December 11, 2023

Contact Person/Dept: Lisa Soghor/Finance
Phone Number: 310-253-5865

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: No

Public Notification: (E-Mail) Meetings and Agendas - City Council (12/05/2023)

Department Approval: Lisa Soghor, Chief Financial Officer (12/04/2023)

RECOMMENDATION

Staff recommends the City Council authorize the continued expenditure with Tyler Technologies for the annual maintenance and support fees for the City's existing Enterprise Resource Planning

(ERP) program and associated modules in an amount not to exceed \$420,000 in Fiscal Year 2023-2024 and subsequent years until the maintenance agreement is terminated or substantially changed by either party.

BACKGROUND

In 2011, the City Council approved a professional services agreement with Tyler Technologies to provide software and professional services to replace the City's former finance system for a total amount not to exceed approximately \$1.2 million. At the same time, Council also authorized the payment for the annual maintenance and support of the software for each successive year until the maintenance agreement is terminated or substantially changed by either party.

In 2012, the City's annual maintenance and support payment to Tyler Technologies was approximately \$164,000. Over the past 11 years, the cost of the City's annual software maintenance and support services provided by Tyler Technologies has increased due to a combination of factors. These factors include Tyler Technologies' annual cost increases, the City's purchase of additional ERP modules and services to address the evolving operational needs of the Finance Department and Tyler Technologies' acquisition of certain companies which historically provided separate software programs to the City, including the City's current employee time-keeping system.

DISCUSSION

Currently, the City's annual maintenance and support fees from Tyler Technologies total approximately \$395,000. This amount does not include project-based work, above and beyond the routine maintenance and support provided, that the City may need Tyler Technologies to perform to address City-specific operational needs and audit requirements that may arise throughout the year. It is estimated that this work could cost up to \$25,000 per year.

Staff recommends that the Council authorize the City's continued expenditure with Tyler Technologies for the ongoing support and maintenance of the City's ERP in Fiscal Year 2023-2024 as well as an additional \$25,000 to be used as necessary for a total of \$420,000. Based on past invoices, the costs for Tyler Technologies' annual maintenance and support is anticipated to increase approximately 4-5% each year. Staff recommends that the Council authorize ongoing maintenance and support costs in subsequent years until the maintenance agreement with Tyler Technologies is terminated or substantially changed by either party.

FISCAL ANALYSIS

Sufficient funding exists in the Adopted Budget for Fiscal Year 2023-2024 in Account No. 10124100.600200 (Information Technology - R&M - Equipment) to cover the City's ongoing maintenance and support costs and CIP Account No. 42080000.730100.PZ636 (Finance System) to cover the costs of any additional projects and upgrades. Funding for future maintenance and support costs will be incorporated into the budget in subsequent fiscal years.

ATTACHMENTS

None.

MOTIONS

That the City Council:

1. Approve expenditures of up to \$420,000 with Tyler Technologies in Fiscal Year 2023-2024; and
2. Approve future expenditures with Tyler Technologies each successive year until the maintenance agreement is terminated or substantially changed by either party.