

**CITY OF GOODYEAR
CITY COUNCIL ACTION FORM**

SUBJECT: Approve the contract with Tyler Technologies (Munis) for the Financial Systems Implementation Project	STAFF PRESENTER: Wynette L. Reed, Deputy City Manager and Doug Sandstrom, Finance Director
	CASE NUMBER: N/A
	OTHER PRESENTER: None

RECOMMENDATION:

Approve the \$1,715,130 contract with Tyler Technologies, plus a 15% (\$257,270) owner's contingency for the purchase and implementation of an integrated financial solutions software that includes the following modules: General Ledger, Cashiering, Accounts Payable, Business Licenses, Fixed Assets, Accounts Receivable, Cash, Project/Grant Tracking, Employee Expense Reimbursement, Payroll/Human Resources, Procurement, Budget, and Utility Billing.

PURPOSE:

The Tyler Technologies Financial Systems (Munis) software will replace our current software, SunGard's NaviLine (H.T.E.). Our current system is over 20 years old and limits our ability to innovate, automate and meet the informational demands of our organization and residents.

BACKGROUND AND PREVIOUS ACTIONS:

We have decided to contract with Tyler Technologies for the purchase and implementation of all financial modules. Once all modules included in the Finance implementation are completed, we will have the option to purchase additional Human Resources modules and Community Development modules at the current price within one (1) year from effective date of contract. In addition to the standard implementation process we have included Business Process Consulting (BPC) on the major elements of the system. BPC will provide best practices recommendations for change within our processes to fully utilize the Tyler product. Tyler Technologies is the largest company in the United States solely serving the public sector with integrated software and technology services. Tyler was founded in 1966 and currently has over 14,000 clients. The City of Goodyear is currently a customer of Tyler Technologies using NewWorld software in the Police Department.

- Other Arizona organizations using Tyler software:
 - City of Maricopa
 - City of Prescott
 - Town of Fountain Hills
 - Town of Marana
 - Town of Queen Creek
 - City of Sierra Vista
 - City of Surprise
 - Mohave County
 - Arizona State Retirement System

- Gila River Indian Community
- City of Buckeye
- City of Scottsdale
- Town of Oro Valley
- Town of Sahuarita
- Town of Gilbert

Technology solutions are often chosen with three themes in mind: engage constituents, improve efficiencies, and connect departments. At the City of Goodyear these key themes are laying the foundation for our technology investments. The City of Goodyear is implementing technology strategies that:

- Allow for more access to multiple technologies
- Centralize data which reduces redundancies
- Improve inter-department workflow
- Improve processes
- Allow for more services to be online and available
- Increase timeliness of communications
- Provide for more transparency of government operations

The Tyler Technologies Financial Systems (Munis) products that we are recommending align with and enhance each of these technology strategies.

STAFF ANALYSIS:

An intensive evaluation process including vendor demos, reference checks and extensive involvement by the users of the system was utilized in developing this recommendation.

Vendor demos – On May 11th Tyler representatives were onsite for a day long demonstration of their suite of products including all financial and payroll/HR modules. The demonstration of each module was presented to all appropriate Finance and HR staff. Following the vendor demo, the executive project team and functional leaders from the Finance department met to review the product. All involved thought the product met our needs, however there were questions regarding specific processes/needs that Tyler would need to address.

Deep Dive Vendor Demo – Tyler staff returned at the end of June and conducted a two-day deep dive into their products. This deep dive demonstrated all of the modules that we are currently recommending for implementation. The deep dive included both a presentation element and a hands on lab which enabled staff to get into the system and see/feel how it actually worked. Staff questions were addressed and participants were shown how specific issues are handled within the system. The majority of Finance, Human Resources and select Information Technology staff, specifically including the employees that will be working in the system, participated in this deep dive. Following these demo days all staff were supportive of choosing Tyler for our system needs.

Reference checks – The functional leaders within the Finance Department conducted reference checks of various cities across the country that have been utilizing Tyler for several years as well as entities that are new to the software. All reference checks were

positive and provided staff with some implementation lessons learned that we will be able to utilize moving forward. In addition to the references directly provided by Tyler, Finance personnel have also communicated with their peers throughout Arizona who currently use the product and received consistently positive feedback. Finance staff has also communicated with their peers in both Buckeye and Surprise to discuss the implementation process and experience with Tyler.

Working with Tyler through the contract and scope of work process, we have developed an implementation timeline that is consistent with Tyler experience. The timeline is staged so that we will address our critical information needs first and also be aligned with key dates such as the start of a calendar year for payroll and the fiscal year for General Ledger. The schedule below shows the Go-Live date of each major element:

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|---|-----------------|
| • Chart of Accounts development | February 2017 |
| • Payroll/Human Resources | January 1, 2018 |
| • Financials (including budget and procurement) | July 1, 2018 |
| • Utility Billing/Cashiering | January 1, 2019 |
| • Business Licensing | April, 2019 |

FISCAL ANALYSIS:

The Financial Systems Implementation Project was originally approved in the Fiscal Year 2015 Capital Improvement Program and budget. For Fiscal Year 2017, the budget for this project as approved is \$3,762,335 to include Financials, Human Resources and Community Development. The contract for Tyler Technologies presented for this phase of the project is \$1,715,130. A project owner's contingency of 15% is recommended and is not included in the contract with Tyler Technologies, but will only be used if required for the project. In addition, annual maintenance and support costs for the first year were negotiated down from \$132,910 to \$30,000. The second year of the contract the maintenance and support costs will be \$132,910 and will contractually not go up more than 5% each year for the term of the contract.

Although no Council approval to purchase is being sought at this time, future modules associated with Human Resources and Community Development have been priced for the City by Tyler and Tyler has agreed to hold these prices for a period of one (1) year from the effective date of this contract. Also not included in this contract award are previously authorized contracts for a document management system, IT infrastructure, and other city implementation expenses such as backfill, supplies, and change management. Based upon current information delivery of all originally anticipated elements of this project will be accomplished within budget.

ATTACHMENTS:

CON 17-3687 Tyler Technologies (Munis)