



**DATE:** June 22, 2021

**TO:** Mayor and City Council

**FROM:** Development Services Director

**SUBJECT:** Adopt a Resolution Amending the FY21 Capital improvement Program Budget to Transfer and Appropriate Funds to Project Number 07267, Online Permitting, in the Amount of \$363,469 to Increase the Total Project Budget Amount Not-to-Exceed \$1,726,988 for the Purchase and Implementation of EnerGov Online Permitting Solution and Authorize the City Manager to Amend the Agreement with Tyler Technologies to Reflect the Revised Project Budget

**RECOMMENDATION**

That Council adopts a resolution (Attachment II) authorizing the City Manager to amend the FY21 Operating and Capital Improvement Program (CIP) Budgets related to the transfer and appropriation of funds to Project Number 07267 in the amount of \$363,469 in order to increase the EnerGov Online Permitting Solution project budget to the amount of \$1,726,988 and to amend the agreement with Tyler Technologies to reflect the revised project budget.

**SUMMARY**

In 2019, the City entered into a contract with Tyler Technologies for the purchase of a new software solution for online permitting (Energov), as well as associated implementation costs. Additional funding is required to complete the project due to the need for unanticipated additional software solutions to bridge gaps between the new proposed EnerGov permitting system and the City’s existing enterprise system (MUNIS), as well as to cover costs of additional licenses for a more comprehensive scope of actual EnerGov users. Staff recommends increasing the contract with Tyler Technologies in an amount of \$363,469, which includes a contingency for a total not-to-exceed contract amount of \$1,726,988, and appropriating both salary and department budget savings to the EnerGov project to cover the additional costs, resulting in no additional fiscal impact to the General Fund.

**BACKGROUND**

In 2017, the City solicited proposals for vendors for an online permitting system. After review and staff recommendation of EnerGov, a Tyler Technologies product, the Council

Infrastructure Committee (CIC) indicated that the cost was too high to be supported with General Fund monies. As a result, the CIC instructed staff to delay the project and wait until sufficient technology fees were accrued. In 2018, staff projected that technology fees would be sufficient by the end of 2019 to proceed with a contract and Council approved the contract for the EnerGov project in October 2019. On November 20, 2019, the City entered into an Agreement with Tyler Technologies, Inc. to acquire, install, implement, and receive technical services for a new EnerGov online permitting software solution. In September 2020, during the Assess & Define phase of the EnerGov project, it was determined that adjustments to the Tyler Technologies, Inc. contract were needed to ensure that the City's permitting needs are met. The additional Business License Module was necessary for current processes and workflows and identified additional funding was required to complete the project. City Council approved these changes on December 1, 2020<sup>1</sup>.

As the Assess and Define phase was wrapping up and the Configuration stage began in late 2020 and into 2021, it became clear that there are necessary upgrades to the EnerGov software needed to ensure compatibility with the existing version of the City's current Enterprise system (MUNIS), which require additional hours dedicated to bridging that connection. In addition, every user of the system must have a license for the new system and based on an updated assessment of the future use of the system, it has been determined that additional licenses will be required in order to maximize the effective use by all City departments involved in the reviewing of new permits. These issues have resulted in the need to augment the budget for Tyler Technologies, Inc's contract to reflect the additional licenses and additional labor hours to ensure compatibility.

## **DISCUSSION**

The comprehensive, inter-departmental EnerGov online permitting project was initiated in January 2019 and the Assess and Define stage began in July 2020 and was completed in November 2020, taking the project more than halfway to completion. The Configuration stage of the project began with training in December 2020 and has been ongoing since. During the Configuration stage, some issues arose related to bridging gaps between the new EnerGov system and the City's existing MUNIS system, which are being resolved both with system upgrades and additional programming to help the two systems coordinate for a smooth transition once the system goes live. One of the biggest issues was the ease with which customers would be able to access the system to submit their applications electronically and the ease with which staff could communicate acceptance of the applications and receive permit payments, a key component given post pandemic business operations. City staff are in the process of resolving these issues, but this effort does require some additional hours to complete the necessary connections. Project completion of the project is anticipated for early Spring 2022.

In addition, every user of the system must have a license for the new system and based on an updated assessment of the future use of the system, it has been determined that additional licenses will be required in order to maximize the effective use by all City departments

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=4703125&GUID=202DDAD1-36D4-473D-9DAA-161A19D41FCE&Options=&Search=>

involved in the reviewing of new permits. In sum, these issues have resulted in the need to augment the budget for Tyler Technologies, Inc's contract to reflect the additional licenses and additional labor hours to ensure compatibility. As a result, staff is recommending an increase of \$363,469 to the EnerGov project budget and contract for additional services and components identified as critical to project success. This budget increase will be funded by savings from salaries and from the existing operational budget and will not result in any additional fiscal impact to the General Fund.

### **FISCAL IMPACT**

Based on previous Council action, the current project budget has been approved for \$1,363,519. As discussed above there is a need for additional licenses and hours to help ensure the system will function efficiently for all system users which requires increasing the budget by \$363,469 to cover those additional tasks for a total contract amount of \$1,726,988. Funding for these additional EnerGov projects cost will be covered by cost savings from the currently approved Development Services Department operating budget, including savings from salaries, and services and supplies, and will have no adverse impact on the General Fund.

### **STRATEGIC ROADMAP**

This agenda item supports the Strategic Priority of Improve Organizational Health. Specifically, this item relates to the implementation of the following project:

- Project 15, Part 15.b: Implement new online planning and permitting solution

### **NEXT STEPS**

If Council approves the attached resolution, staff will take the following steps:

- Amend the Fiscal Year 2021 Operating and CIP Budgets related to the transfer and appropriation of funds to Project Number 07267 in the amount of \$363,469 in order to increase the project budget to the amount of \$1,726,988.
- Amend the agreement with Tyler Technologies to reflect the revised project budget.

Once an amended agreement has been executed, the project will continue with the Build & Validate phase and continue towards an anticipated system go-live date in Spring 2022.

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*Recommended by:* Jennifer Ott, Assistant City Manager/Development Services Director

Approved by:



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Kelly McAdoo, City Manager