



DATE: June 21, 2022

TO: Mayor and City Council

FROM: Acting Assistant City Manager

SUBJECT: Adopt a Resolution (1) Authorizing the City Manager to Amend the Agreement with Tyler Technologies to Extend the Term of the Contract for Six Months and Reflect Revised Tasks, and (2) Authorize the Transfer of \$150,000 to Cover Previously Authorized and Appropriated Project Budget

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to: 1) amend the agreement with Tyler Technologies to extend the term for six months and reflect the revised tasks; and 2) authorize the transfer of \$150,000 from the General Fund to the Information Technology Capital Fund to account for previously authorized and appropriated project budget for Project Number 07267 - the EnerGov Online Permitting project. The transfer of \$150,000 from the General Fund will be funded using department operational savings.

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. When the project was first approved, it was anticipated that year three costs would be paid for when that year arrived and, as such, the project was originally underfunded. In addition, the delays in full implementation have resulted in additional hours needed to get the new software launched, which is now slated for October 2022. Staff recommends extending the contract with Tyler Technologies for up to an additional six months or until May 1, 2023 to allow for the go live and any follow-up troubleshooting once launch in October occurs and to amend the contract to include the additional hours needed to do so. Staff also recommends that \$150,000 in department operational budget savings in the General Fund be transferred to the Information Technology Capital Fund to account for the previously authorized and appropriated project budget.

BACKGROUND

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 were met. The additional Business License Module was necessary for current Code Enforcement processes and workflows and additional funding was required and identified to complete the project. City Council approved these changes on December 1, 2020. 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 were necessary upgrades to the EnerGov software needed to ensure compatibility with the existing version of the City's current Enterprise system (MUNIS), which required additional hours dedicated to bridging that connection. This resulted in the need to augment the budget for Tyler Technologies, Inc's contract to reflect the additional labor hours to ensure compatibility. Staff also recognized that the project was underfunded and requested that Council transfer Development Services Department Salary and Budget savings of up to \$363,469 to the project. The City Council approved these changes in June 2021. However, only about \$325,000 in salary and budget savings was transferred to cover the contract expenses.

Since then, additional delays in the project configuration ensued primarily due to key staffing losses on both the Tyler and City side as well as delays related to data conversion of MUNIS data into the EnerGov system. This has resulted in a delay in the scheduled "go-live" until October 2022. Due to these delays, there are additional hours required for Tyler to finalize the configuration, data conversion, and ultimate launch of the new system. However, staff was able to negotiate and will receive credit for a portion of hours due to the delays caused by staffing issues within Tyler. Separately, staff clarified the exact number and type of licenses needed to ensure City users will have appropriate access. Lastly, there was a need to purchase hardware for processing payments. All of these modifications require an amendment to the agreement with Tyler Technologies, and result in additional costs to the City.

DISCUSSION

The comprehensive, inter-departmental Energov online permitting project was initiated in January 2019 and staff from various departments including Development Services, Public Work, and Fire have engaged in the configuration and testing for the last several years. Due to delays stemming from loss of staff and complications related to converting MUNIS data to EnerGov, the entire project implementation and "go-live" has been delayed until October 2022. This has resulted in a need to amend the contract with Tyler Technologies to capture the additional costs and to extend the contract term for up to six months to ensure the City receives the support needed post system "go-live." The original contract with Tyler Technologies was approved for \$1,085,881 and was amended in late 2020 by \$235,138 for a not to exceed amount of \$1,321,019. In order to complete the project, staff is recommending an additional amendment to reflect the additional hours required to support final configuration and launch, as well as to cover the additional license types needed for all system users and to purchase necessary hardware for the permit payments. The sum total of these project augmentations is approximately \$97,000, resulting in a not to exceed contract amount of \$1,418,019. Council previously authorized a total project budget of \$1,726,988 so these changes are still within the previously authorized project budget.

While the contract amendment is within the authorized project budget amount, a transfer of funds to the Information Technology Capital Fund from the General Fund is required to fully account for the previously authorized project budget amount.

Staff is recommending a transfer of \$150,000 of department operational budget savings in the General Fund to the Information Technology Capital Fund in FY 2022 to account for previously authorized and appropriated project budget.

FISCAL IMPACT

Based on previous Council action, the current project budget has been approved for \$1,726,988, with the Tyler Technologies contract accounting for \$1,321,019. As discussed above, there is a need for additional licenses and hours to help ensure the system will function efficiently for all system users, resulting in an amendment to the Tyler Technologies contract by \$97,000, for a total not to exceed contract amount of \$1,418,019. While there is sufficient budget authority to cover the cost of the amendment with Tyler Technologies, staff is recommending the transfer of \$150,000 from the General Fund to the Information Technology Capital Fund to ensure that the project budget authority is fully accounted for within the Information Technology Capital 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 adopts the attached resolution, staff will take the following steps:

- Prepare and execute an amendment to the agreement with Tyler Technologies to reflect the changes in the project as well as extend the term of the contract by up to six months.
- Request Finance transfer \$150,000 from the department operational budget savings in salaries and supplies and services to the Information Technology Capital Fund for the EnerGov online permitting system project.

Once an amended agreement has been executed, the project will continue to move forward towards an anticipated system “go-live” date in October 2022.

Prepared by: Sara Buizer, AICP, Deputy Development Services Director

Recommended by: Dustin Claussen, Acting Assistant City Manager/Development Services Director

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager