



Date: March 22, 2012
To: Mayor Huether and City Council
From: Tom Huber, Financial Management Project Sponsor
Subject: Financial Management Software Agreement—Summary

Having begun the financial management software selection process in the spring of 2010, the City is ready to conclude this process and open an exciting new chapter in bringing modern technology to City government. Upon review of the selection team's recommendation, the five-member steering committee (Tracy Turbak, Mark Cotter, Mike Cooper, Sue Quanbeck Etten, and Bill O'Toole) has endorsed the negotiated software agreement with Tyler Technologies.

Project Objectives

- Utilize Modern Technology
- Easy Access to Information
- Better Processes
- Save Time and Money
- Increased Productivity
- User-Friendly

Basis of Selection

- Best Long-Term Return on Investment
- Right Fit in System Functionality and Flexibility
- Improve the City's Business Processes
- Great User Experience
- Ability to Successfully Implement
- Solid Long-Term Strategic Vision

Cost of Agreement

The City has been fortunate to be selecting software at a very competitive point in the market and negotiated favorable pricing terms for this software package. The table below highlights the financial terms of the agreement with the note that implementation costs will be billed as incurred and are agreement maximums.

	Tyler Technologies
License Costs	\$574,130
Estimated Implementation Costs	\$999,112
Optional Licenses/Services	\$233,200
Annual Maintenance Fees (Years 2 thru 10) First Year Maintenance Fee Waived	\$126K-\$176K/year

The financial management software includes 28 different licensed applications covering the functions of Finance/Accounting, HR/Payroll, and Purchasing.

Funding

As the project has a citywide impact, it is being funded through the Technology Revolving Fund. License and initial implementation costs have already been budgeted and set aside within the Fund. Additional funding has been included within the City's operational forecasts.

Process

Being cognizant of the time and money that would be invested into the project, it was critical that the City made the **right** choice the first time. To that end, the City followed a very objective, deliberate, inclusive, and thorough process covering a period of two years.

Project Kickoff and Fact Finding	Q1—2010	Requests for Proposals	Q1—2011
Needs Assessment	Q2—2010	On-Site Demonstrations	Q2—2011
System Requirements	Q3—2010	Site Visits	Q3—2011
Needs Assessment Action Plan	Q4—2010	Final Evaluation	Q4—2011
		Contract Negotiations	Q1—2012

Implementation

The project will commence within 60 to 90 days of signing the agreement. It is anticipated that the primary financial applications will "go live" in 2013 and 2014.

We are appreciative for the support the Mayor and City Council have provided over the last two years to move this project forward. This project offers a high return on the City's investment, and the team is excited to begin implementing modern technology for these critical functions of City government.