



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** February 7, 2012

**To:** Honorable Mayor & City Council

**From:** Scott Miller, Director of Administrative Services/CFO  
David Schirmer, Chief Information Officer  
Noel Marquis, Assistant Director of Administrative Services - Finance

**Subject:** Update on the Replacement of the City's Finance and Human Resources Software System

**Attachments:** 1. Exhibit A, Vendor References  
2. Exhibit B, Vendor Optional Cost items

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### INTRODUCTION

In July of 2008 the City put together a team of City employees from the Police, Public Works, Fire, City Clerk, Administrative Services, Information Technology, Community Services and Community Development departments to begin the process of replacing the City's end of life finance and human resources systems. The first task for this team was to determine what was available, who was using it and how well each system addressed the needs of the cities using them. While staff's effort was initially focused on replacement for the Accounting and Human Resources system currently used, the team also wanted to know how well the other systems on the market addressed the needs of the relevant City processes and programs.

To accomplish this, each team member contacted their counterparts in other cities with the goal of determining what systems they were using and how well the system addressed not only the cities' accounting, payroll, purchasing and HR needs but how well it addressed other users' needs for information and efficient processes.

From this process a list of potential software providers and products was developed. Staff began a diligent analysis of the potential providers including on site presentations by various vendors, site visits to other cities by the entire team to discuss the pros and cons of each vendors offering.

During this period of time the scope of the project expanded from replacement of the Finance and Human Resources to also include replacement of the Community

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Development system. Eventually the team narrowed the search and selected two vendors and software suites that were best suited to the City's needs, Tyler Technologies Munis and New World Systems Logos.Net (please see Exhibit A, Vendor References).

## **DISCUSSION**

After approximately three years of research, analysis and discussion the City issued City of Beverly Hills Finance, Human Resources and Community Development Request for Proposal #11-38 on May 23, 2011 with a Bid Opening Date of June 23, 2011.

The City received sealed formal bids from the two selected vendors, Tyler Technologies, Inc. and New World Systems. An analysis of the bids submitted by each vendor provided the following information.

Of the 1,813 requirements specified in the RFP each vendor responded as follows:

	New World Systems		Tyler Technologies	
	Overall Numbers	Overall Percentage	Overall Numbers	Overall Percentage
Conforming	1619	89.30%	1741	96.03%
Nonconforming	176	9.71%	11	0.61%
Additional Costs	12	0.66%	58	3.20%

Specifically the New World systems were lacking in the following areas:

- lacked an adequate business tax program
- reduced functionality in the finance programs
- reduced functionality in the budget programs
- substantially reduced functionality in the human resources programs
- substantially reduced functionality in the community development programs
- substantially reduced functionality in the eCommerce programs
- reduced functionality in interface requirements

Initial analysis of the bids showed a large discrepancy in the bid pricing between the two vendors with Tyler Technologies substantially higher than New World. Information Technology began a series of meetings with the vendors to determine the cause of the large pricing difference based on relevant in-kind comparison. After several meetings and analysis of services, removal of certain unessential services and scaling back of others, the following pricing structure was agreed upon.

	Tyler	New World
<b>One time costs</b>		
Vendor Software	587,130.00	518,420.00
Implementation Costs	660,500.00	345,000.00
System Software Cost	127,078.00	28,500.00
Optional Costs (Exhibit B)	441,145.00	21,000.00
TOTAL:	1,815,853.00	912,920.00
<b>On going costs</b>		
Annual Maintenance	117,093.00	88,340.00

While the pricing from Tyler Technologies is still higher than New World's proposal the higher level of functionality and more robust implementation services warrant that difference. As example, Tyler has proposed almost 500 days for conversion, implementation and training while New World has proposed less than 200 days. Further, in their optional costs section Tyler has included \$360,000 for an onsite Project Manager and their travel expenses (please see exhibit B, Vendor bid Optional Costs components). The optional items are services that the City may or may not choose to avail itself of but for total costs analysis should be considered.

On August 4, 2011 both vendors made a final presentation to the STAC (Strategic Technology Advisory Committee, a group composed of senior City staff) committee outlining their proposal and answering questions from senior City staff. On October 10, 2011 the ERP project findings were presented to the Tech Committee (a citizen committee) who agreed with Staff's recommendations. On January 17, 2012 Staff's recommendations were presented to the Audit Committee (Councilmember Lili Bosse and Councilmember Julian A. Gold) who directed staff to present the recommendations to the full City Council.

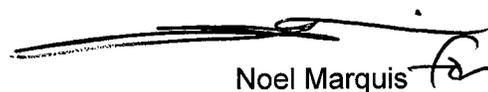
In addition to the above analysis the overriding factor in the selection of Tyler Technologies is the unanimous finding of the citywide team (that has spent the last three years analyzing the offerings of not only these two vendors but several others) that Tyler Technologies, Inc. Munis is the easiest to use, provides the best business processes and is the most versatile in providing best practices and work flow control.

### **FISCAL IMPACT**

Funds were budgeted and are available for the replacement of the Finance Human Resources system in the amount of \$2,500,000 in the CIP Project #0336 for this purpose. The Tyler portion of the system costs will be \$2,100,000 (\$1,815,853 plus \$284,147 for contingencies). Staff also anticipates additional expenditures up to about \$400,000 for additional hardware, software, professional services and other necessary equipment to support the system with a total cost of \$2,500,000.

**RECOMMENDATION**

Staff will be presenting this as a consent item at this evening's formal meeting and will recommend that the City Council award bid no. 11-38 to Tyler Technologies, Inc., for the provision of an Integrated Municipal Enterprise Resource Planning (ERP) System, approve the resolution authorizing the City Attorney, City Manager and Director of Administrative Services/CFO to approve the agreement with Tyler Technologies, Inc., approve a purchase order to Tyler Technologies, Inc., in the total not-to-exceed amount of \$2,100,000 including all contingencies and authorize the City Manager and Director of Administrative Services/CFO to issue purchase orders as needed to various vendors for hardware, software, professional services and other necessary equipment to support the system in a total not-to-exceed amount of \$400,000. The remaining funds will be used for additional equipment as necessary and staff implementation related costs.



Noel Marquis

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Approved By

# Exhibit A

## Vendor References

# Tyler Technologies, Inc.

**Form C: Reference Form**

*Complete a copy of this form for each Contractor and Subcontractor. Add additional rows as needed.*

	Agency Name, Address, Contact, Title, Phone Number, E-Mail	Approximate Service Area Population	Operational Applications	Version/Release	Installation Dates	Key Interfaces
1.	City of Springfield, MA, 36 Court St. Springfield, Mr. Mark Ianello, City Auditor, 413-78-6000, mianello@springfieldcityhall.com	250,000	Financials, Payroll/Human Resource, Utility Billing	8.2	9-2006	Tyler does not track that specific information
2.	City of Chino, CA, 13220 Central Ave Chino. Mr. Pat Griffin, Assistant City Manager, 909-591-9801, pgriffin@cityofchino.org	80,000	Financials, Payroll/Human Resource, Utility Billing, Business License	7.4	3-2008	Tyler does not track that specific information

3.	City of Durham, NC, 101 City Hall Plaza Durahm, Mr. David Hickman, Accounting Manager, 919-560-4125x264, <a href="mailto:david.hickman@durhamnc.gov">david.hickman@durham nc.gov</a>	260,000	Financials, Payroll/Human Resource, Utility Billing	7.4	06-2005	Tyler does not track that specific information
4.	City of Buffalo, NY, Anne Forti-Scarrino, Chief Accountant, 716-851- 5276, <a href="mailto:afs@ch.ci.buffalo.ny.us">afs@ch.ci.buffalo.ny.us</a>	275,000	Financials, Payroll/Human Resource, Utility Billing	7.4	06-1998	Tyler does not track that specific information
5.	City of Hartford, CT	131,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License	7.5	06-2005	Tyler does not track that specific information

6.	City of Beloit, WI, 100 State Street, Laureen Presney, Director of Accounting, 608-364-6686, <a href="mailto:presnyl@ci.beloit.wi.us">presnyl@ci.beloit.wi.us</a>	36,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License, Utility Billing	8.2	05-1998	Tyler does not track that specific information
7.	City of Wilmington, DE, 800 N. French Street, Sue Oliver, Project Manager, 302-576-2552, <a href="mailto:soliver@ci.wilmington.de.us">soliver@ci.wilmington.de.us</a>	73,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License, Utility Billing	8.1	01-2005	Tyler does not track that specific information
8.	City of Roswell, GA 38 Hill Street, Suite 130 Roswell, GA 30075 Randall Smith, Financial Operations Manager, 770-594-6265, <a href="mailto:rsmith@ci.roswell.ga.us">rsmith@ci.roswell.ga.us</a>	87,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License, Utility Billing	9.1	03-2011	Tyler does not track that specific information

9.	City of Evansville, IN 1 NW Martin Luther King, Jr. Boulevard, Evansville, IN 47708-1833 Matthew Arvay, CIO, 812-436-7859, marvay@evansvillegov.org	117,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License, Utility Billing	8.2	03-2010	Tyler does not track that specific information
10.	City of Covina, CA 125 East College Street, Covina, CA 91723-2199	47,000	Financials, Payroll/Human Resource, Permit & Code Enforcement, Business License, Utility Billing	9.1	02-2011	Tyler does not track that specific information

# New World Systems

**Form C: Reference Form**

Complete a copy of this form for each Contractor and Subcontractor. Add additional rows as needed.

	Agency Name, Address, Contact, Title, Phone Number, E-Mail	Approximate Service Area Population	Operational Applications	Version/Release	Installation Dates	Key Interfaces
1.	City of Torrance, California 3031 Torrance Blvd. Torrance, CA 90509-2970 Ken Flewellyn, Assistant Finance Director (310) 618-5850 kflewellyn@torranceca.gov	142,384	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	June 2006	<ul style="list-style-type: none"> <li>▪ 3rd Party Receivables Interface</li> </ul>
2.	City of Turlock, California 156 South Broadway Turlock, CA 95380 Julie Burke, Finance Manager (209) 668-5542, ext. 1317 jburke@turlock.ca.us	67,500	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Utility Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	October 2008	<ul style="list-style-type: none"> <li>▪ PC Cash Register Interface</li> <li>▪ Automatic Meter Read (AMR) Interface</li> </ul>
3.	City of Moreno Valley, California 14177 Fredrick Street Moreno Valley, CA 92552 Steve Hargis, IT Director (951) 413-3401 steveh@moval.org	193,365	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ eSuite Software</li> </ul>	7.0	May 2011	<ul style="list-style-type: none"> <li>▪ 3rd Party Receivables Interface (Batch)</li> <li>▪ PC Cash Register Interface</li> </ul>

4.	<p>City of San Bernardino, California 300 North D Street San Bernardino, CA 92418 June Yotsuya, IT Director (909) 384-5947 yotsuya_ju@sbcity.org</p>	185,401	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	January 2011	<ul style="list-style-type: none"> <li>▪ 3rd Party Receive Interface (Batch)</li> <li>▪ Time and Attendance Interface</li> </ul>
5.	<p>City of Hesperia, California 15776 Main Street Hesperia, CA 92345 Rick Ochoa, IS Manager (760) 947-1823 rochoa@cityofhesperia.us</p>	62,600	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Utility Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	November 2004	<ul style="list-style-type: none"> <li>▪ Automatic Meter Read (AMR) Interface</li> <li>▪ Utility Cash Register Interface</li> </ul>
6.	<p>City of Desert Hot Springs, California 65-950 Pierson Boulevard Desert Hot Springs, CA 92240 Jason Simpson, Finance Director (760) 329-6411, ext. 234 jsimpson@cityofdhs.org</p>	20,500	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	June 2009	N/A

7.	<p>City of Manteca, California  001 W. Center Drive  Manteca, CA 95337  Tim Dyke, IT Director  (209) 456-8810  tdyke@ci.manteca.ca.us</p>	62,651	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Utility Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	December 2010	<ul style="list-style-type: none"> <li>▪ 3rd Party Receivable Interface (Batch)</li> <li>▪ PC Cash Register Interface</li> <li>▪ Automatic Meter Read (AMR) Interface</li> <li>▪ Time and Attendance Interface</li> </ul>
8.	<p>City of Commerce, California  2535 Commerce Way  Commerce, CA 90040  Al Vela, IT Manager  (323) 722-4805, ext 2243  itmanager@ci.comerce.ca.us</p>	13,455	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ eSuite Software</li> </ul>	7.0	September 2007	<ul style="list-style-type: none"> <li>▪ Time and Attendance Interface</li> </ul>
9.	<p>City of Bowling Green, Kentucky  1017 College Street  P.O. Box 430  Bowling Green, KY 42101  Donnita Weeks, Systems Analyst  (270) 393-3709  donnita.weeks@bgky.org</p>	52,272	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	February 2007	N/A
10.	<p>City of Grand Junction, Colorado  250 North 5th Street  Grand Junction, CO 81501-2628  Jay Valentine, Assistant Finance Operations Manager  (970) 244-1517  jayva@ci.grandjct.co.us</p>	41,000	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ eSuite Software</li> </ul>	7.0	December 2007	<ul style="list-style-type: none"> <li>▪ 3rd Party Receivables Interface (Batch)</li> <li>▪ Time and Attendance Interface</li> </ul>

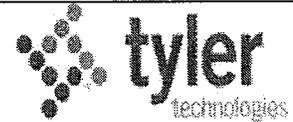
11	<p>City of Auburn, Indiana  10 S. Cedar Street  Auburn, IN 46706  Christopher Schweitzer, MIS  Manager  (260) 920-2412, ext. 1701  cschweitzer@ci.auburn.in.us</p>	13,000	<ul style="list-style-type: none"> <li>▪ Financial Management Software</li> <li>▪ Payroll &amp; Human Resources Software</li> <li>▪ Utility Management Software</li> <li>▪ Community Development Software</li> <li>▪ eSuite Software</li> </ul>	7.0	June 2004	<ul style="list-style-type: none"> <li>▪ Time and Attendance Interface</li> <li>▪ Automatic Meter Read (AMR) Interface</li> <li>▪ Utility Cash Register Interface</li> </ul>
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# **Exhibit B**

# Exhibit B

## Vendor Optional Items Pricing

### Tyler Technologies, Inc.



Pattern Stream Project (Estimate: 165 hours @\$200/hr)	\$	33,000	
Single Point of Contact Proj. Mgr & Functional PM Coordinator. \$7,500/month (20 month estimate)			Available to be on-site for status meetings, general coordination, etc. up to 5 days per month. Included in travel estimate.
	\$	150,000	
Estimated Travel Expenses	\$	210,000	updated based on recent changes to Implementation Scope
Installation of Hardware/Software/Applications	\$	48,145	must be updated taking into account hardware cost/approval by Beverly Hills
<b>Total One-Time Fees</b>		<b>\$ 441,145</b>	

### New World Systems

<b>New World Systems®</b> <small>The Public Sector Software Company</small>		
Optional Items	Proposal Section Reference	Cost
Grant Management	Cost Proposal, Optional Application Software	7,000.00
Randon Drug Testion	Cost Proposal, Optional Application Software	4,000.00
eTraining	Cost Proposal, Optional Application Software	10,000.00
<b>Total Optional Costs:</b>		<b>21,000.00</b>