



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** April 17, 2012

**To:** Honorable Mayor & City Council

**From:** Noel Marquis, Assistant Director of Administrative Services - Finance

**Subject:** Update on the Vendor Travel Expenses related to replacement of the City's Finance and Human Resources Software System

**Attachments:**

1. Exhibit A, Training Schedule, City and Vendor
2. Exhibit B, Vendor Travel Policies

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### INTRODUCTION

On February 7, 2012, the City Council approved a resolution authorizing the City Attorney, City Manager and Director of Administrative Services/CFO to execute the agreement with Tyler Technologies, Inc. and necessary third parties; approve a purchase order to Tyler Technologies, Inc. for the provision of an Integrated Municipal Enterprise Resource Planning (ERP) System with the exception of vendor travel related costs. The City Council directed staff to return at a future date after further discussion with the vendor on their costs associated with travel for the training and implementation of the system.

### DISCUSSION

One of the primary goals in implementing this new system was to fully understand and implement the system in such a way as to achieve maximum value from the City's investment. During our research, analysis and discovery phase we found most disappointing the lack of proper implementation of these new software packages. Most of the sites we visited had done little more than transfer data from their old system to the new, continuing to do business as usual. Staff realized that to do this type of implementation would do little to improve the efficiency and effectiveness of our systems and would not provide the enhancements that we wanted to achieve from this system upgrade.

As a result of these findings we asked the vendors to provide an extraordinary level of implementation and training services. Although the cost for our system is more than other cities have for comparable products we believe the investment will be more than offset by the increased productivity we receive from fully understanding the system and implementing it to take the greatest advantage of the improvement and additional features that are offered.

Meeting Date: March 3, 2012

Staff realizes that this will take an extraordinary effort from all to learn, understand and implement this system. To that end we have developed a training and implementation staffing schedule that anticipates about 11,523 hours of City staff time and 8,427 hours of vendor time over the 18 to 20 months of implementation (the training and implementation schedules are included as Exhibit A).

One of the major undertakings of this project is to reengineer the processes that each City department uses to accomplish their tasks. The purpose is to improve our business processes and implement best practices where applicable. To achieve the greatest functionality from this system we will have to change many of our business practices. Oftentimes, our current practices, developed at a different time with a different need and purpose, do not really fit our current needs and customer demands. Consequently as we progress through this implementation we fully expect that the way we process purchase orders, accounts payable, payroll, benefits administration and permit processing will substantially change. We fully expect to improve our productivity and effectiveness and empower both City staff and community to obtain the information they want when they need it.

According to the proposed plan Tyler will provide up to 586 days of training over 18 months and 142 anticipated trips. Training and implementation trips will on average be about 4 days in duration. Further 70% of their budgeted 142 trips will originate from the west coast utilizing Southwest or similar airline. Additionally Tyler is scheduling more of the training sessions as WEB based using current technology to obtain similar benefits to onsite training. Tyler's travel policy is very comparable to the City's and is included as Exhibit B for reference.

The program is broken into 4 phases as follows:

**Implementation**

<b>Phase</b>	<b>City Hours</b>	<b>Tyler Hours</b>	<b>Phase Cost</b>
Implementation/Financials	6,436	4,513	\$ 84,240.00
Payroll HR	1,716	1,596	\$ 30,780.00
Permits/Business Tax	1,978	1,249	\$ 24,300.00
Utility Billing	1,393	1,069	\$ 22,680.00
<b>Total</b>	<b>11,523</b>	<b>8,427</b>	<b>\$162,000.00</b>

These are the metrics that were the basis for the budget that Tyler created for the implementation and training.

Throughout the training and implementation phases the City will follow its normal process through which we train-the-trainer. In other words, staff from each department will be selected based on their knowledge and ability to be trained in such a manner that they can provide continuing training for other City staff in their departments.

**FISCAL IMPACT**

As reported in our February 7 staff and agenda reports funds were adequately budgeted for this level of implementation and training. Tyler has reviewed their travel proposal and

Meeting Date: March 3, 2012

reduced their estimate to \$162,000 from the \$210,000 requested in the February 7, 2012 reports. Adequate funds are included in the project budget to fund this level of implementation and training assistance.

**RECOMMENDATION**

Staff is recommending that Phase 1 be approved at this time in the amount of \$84,240.00. As phase 1 nears completion staff will provide a report of the progress to date, update the Council on the anticipated need for training during the next phase and request approval of the funds necessary. This process will be followed as each phase progresses or until no further training and implementation funding is required.

  
Noel Marcuis

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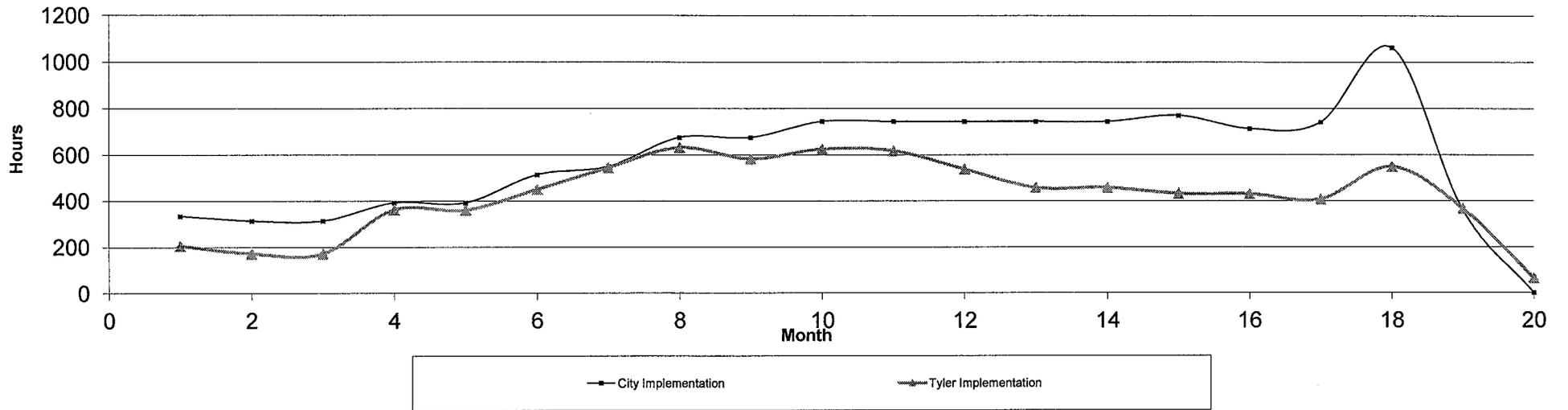
Approved By

# **Attachment 1**

Schedule 1  
 Estimated Total Project Staffing

Phase/Activity	Month																				Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
City Hours	334	313	313	392	392	514	550	675	675	744	744	744	744	744	770	713	741	1063	358	0	11523
Tyler Hours	206	172	172	362	360	450	545	632	583	625	618	538	458	458	432	430	408	549	366	63	8427

Total Implementation and Training Effort



# **Attachment 2**

Travel Policy

1. Air Travel

A. Reservations & Tickets

Tyler’s Travel Agent will provide an employee with the lowest available airfare within two hours before or after the requested departure time. If a net savings of \$100 or more is possible through an alternate flight with not more than one stop, the flight with the lower fare should be accepted. Employees are encouraged to make reservations far enough in advance to take full advantage of discount opportunities.

B. Baggage Fees

Fees for checking one piece of baggage will be fully reimbursed, provided it is directly related to Tyler business. Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Business use of an employee's private automobile will be reimbursed at a rate of \$ .555 per mile plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience and the specific situation require their use. When renting a car for Tyler business, employees should select a “mid-size” or “intermediate” car. “Full” size cars may be rented when three or more employees are traveling together.

C. Public Transportation

Taxi or airport limousine services should be considered when traveling in and around cities or to and from airports. The Company will reimburse the actual fare plus a reasonable tip (15-18%). In the case of a free hotel shuttle to the airport, a \$1 tip per bag is reimbursable.

3. Lodging

Tyler’s Travel Agent will select hotel chains that are well established, reasonable in price and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Fairfield Inn, Hampton Inn and Holiday Inn Express. If the customer has a discount rate with a local hotel, notify Tyler’s Travel Agent as soon as possible to ensure that all employees can take advantage of the rate.

4. Meals

Employee meals while on travel status are reimbursable in the form of a flat per diem rate. The reimbursement rates for individual meals are as follows:

Breakfast	\$ 7.00
Lunch	12.00
<u>Dinner</u>	<u>30.00</u>
Total	\$49.00

A. Overnight Travel

Employees on overnight travel status are eligible to claim all three meals on their expense report except as follows:

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner
Return Day	
Return before 12:00 noon	Breakfast
Return between 12:00 noon & 8:00 p.m.	Breakfast and lunch
Return after 8:00* p.m.	Breakfast, lunch and dinner

\*8:00 is defined as direct travel time and does not include time taken to stop for dinner

B. Same Day Travel

Employees traveling at least 2 hours to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 8:00\* p.m.

\*8:00 is defined as direct travel time and does not include time taken to stop for dinner

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If your hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

Effective Date: July 3, 2011