City of Broken Arrow

Request for Action

File #: 19-870, **Version:** 1

Broken Arrow City Council
Meeting of: 07-16-2019

Title:

Consideration, discussion and possible award of the most advantageous bid to Tyler Technologies for Request for Proposals for Software and Implementation Services for an Enterprise Resource Planning (ERP) System and approval and authorization to execute the License and Services Agreement

Background:

Enterprise Resource Planning (ERP) is a business/technology term for an information system based on a common database and software tools that enable information to be easily accessed, compared and shared throughout an organization. The common database will improve information accuracy and availability. Common functions of ERP systems include General Ledger and Financial Reporting; Budget; Purchasing, Bid and Contract Management; Accounts Payable; Accounts Receivable and Cash Receipts; Project Accounting and Grant Management; Inventory and Fixed Assets; Human Resources, Personnel Management and Benefit Administration; Time Entry, Attendance and Payroll; Fleet Management; Work Orders and Facility Management; Utility Billing.

The City currently uses an aging system installed by SunGard in 1992. Users require better access to data, information and reporting that is currently unavailable or significantly restricted by the current system.. This lack of functionality and integration is inefficient, time consuming and inhibits the City from keeping up with industry best practices. In addition, the software is no longer fully supported by the vendor. A new ERP system will vastly improve business processes by eliminating the manual transfer of data and increasing access to information for internal and external customers.

In December 2017, the City selected BerryDunn Consulting to assist us in the selection of an ERP vendor and software system that best fits the City's current and future needs. The following table summarizes the system selection process.

RFP Type	Schedule
ERP - Financials, HR, Utility Billing, Asset Management	
Needs Analysis (Fact-Finding) On-Site Meetings with City Employees	March 6 - March 8, 2018
Joint Requirement Planning (JRP) Review Sessions	June 19 - June 21, 2018
Release RFP for ERP System	July 24, 2018

BerryDunn facilitated On-Site Needs Analysis and Joint Requirement Planning sessions with City employees to develop our RFP for an ERP solution. We ended up with 2,625 functional requirements that each vendor had to

indicate whether the requirement was standard within their solution, would be available in a future release by January 1, 2019, would require customization to their software or that the feature/function cannot be provided.

ERP RFP Proposals DueAugust 22, 2018	
ERP Proposal Analysis	August 22 - September 14, 2018

Seven vendors responded to the RFP: Cayenta, Ciber Global LLC. JK Seva Inc., OnActuate Consulting Inc., Systems & Software Inc., Tyler Technologies and Ultimate Software Group, Inc. An Evaluation Committee was formed which included the Finance Director, Human Resources Director. General Services Director and the Information Technology Director. This committee was tasked to read and evaluate each proposal based upon the following scoring criteria.

Criteria	Description	Max Points
Functionality	This criterion considers but is not limited to the following: • The vendor's written responses to the Functional and Technical Requirements for proposed functional areas. • The ability for the proposed software to integrate with the City's systems environment.	35
Technical	This criterion considers but is not limited to the following: • Alignment of the proposed software to the City's preferred technical specifications. • The vendor's written response to each Potential Interface. • The ability of the vendor to support the Project Objectives, and City Leadership Goals and Objectives, in terms of technical criteria. • The level of integration among proposed functional areas.	15
Approach	This criterion considers but is not limited to the following: • The described approach to implement an enterprise system to achieve the City's goals and objectives. • The alignment of the proposed implementation timeline to the City's desired timeline milestones. • The distribution of implementation tasks among City and vendor teams. • The proposed resources hours among City and vendor teams. • The vendor's approach to key implementation tasks including but not limited to data conversion, testing, and training. • The vendor's planned ongoing support and maintenance services.	15
Vendor Experience	This criterion considers but is not limited to the following: • The vendor's experience delivering the services requested in the RFP. • The vendor's experience with similar implementations for comparable organizations. • The vendor's experience deploying comparable interfaces to the City's related applications.	15
Proposed Staff Experience	This criteria considered but is not limited to the following: • The experience of named staff delivering the services requested in the RFP. • The experience of named staff with similar implementations for comparable organizations. • The qualifications of named staff to deliver the services requested in the RFP with a focus on business process optimization.	20

Round One Scoring	September 14, 2018

Round one scoring results were:

Cayenta	73.50
Ciber	79.88
JK Seva	70.25
OnActuate	55.00
S&S	72.00
Tyler	83.25
Ultimate	59.75

Vendor DemonstrationsWeek of October 16 - October 26, 2018	

Tyler and Ciber were invited to demonstrate their applications over a three-day period. Demonstration scripts were developed jointly by BerryDunn and City employees. This was to ensure that each vendor would demonstrate the same features. City employees with subject matter expertise in a particular application were encouraged to attend the corresponding demonstration sessions. Employees were given a scoring sheet to document what they liked and disliked with each vendor. These scoring sheets were turned into the Evaluation Committee so the employees input would be considered when the Evaluation committee members filled out their round two scoring sheets.

Round Two ScoringOctober 31, 2018	

City of Broken Arrow Enterprise Resource Planning System Project
Round 2 Proposal/Demonstration Scoring Meeting

	Ciber				Tyler			
	Functionality	Technical	Approach	Vendor Experience	Functionality	Technical	Approach	Vendor Experience
Possible Points	15	5	5	5	15	5	5	5
Committee Member 1	12	5	5	5	10	5	4	5
Committee Member 2	10	4	2	2	15	5	5	5
Committee Member 3	12	5	2	2	12	4	5	5
Committee Member 4	7	3	3	2	12	5	4	4
Average	10.25	4.25	3.00	2.75	12.25	4.75	4.50	4.75
Total without Cost	Ciber			20.25	Tyler			26.25

These are the results of the round two scoring. Tyler Technologies continues to lead Ciber.

Reference Checks & Follow-up Request for InformationOctober 31 - January 21, 2019	
Final Round Scoring	January 22, 2019

The Evaluation Committee interviewed references and submitted questions for clarification for both vendors. Final round scoring results are below.

City of Broken Arrow Enterprise Resource Planning System Project
Round 3 References Scoring Meeting

	Ciber				Tyler			
	Comparable References	Reference Feedback	Costs	Total	Comparable References	Reference Feedback	Costs	Total
Possible Points	10	20	40	70	10	20	40	70
Committee Member 1	0	15			10	15		
Committee Member 2	5	10			10	15		
Committee Member 3	2	5			9	17		
Committee Member 4	5	10			8	17		
Average	3	10	40	53.00	9.25	16	39.13	64.38

At this point of the project, cost were calculated into the vendor scores.

Calculation of Points for Cost Component
Ten Years

Lowest Priced Vendor		
	Name:	**Cyber**
	Proposed Cost:	$6,449,835
	Points Awarded:	40.00
Highest Priced Vendor	Name:	**Tyler**
	Proposed Cost:	$6,593,732
	Points Awarded:	39.13

In this rating system, the items identified as the most important to the success of the project are given the most points. Cost is identified as a percentage of the total available points and cost proposals from all offerors are "normalized" meaning that the lowest cost offeror receives 100% of the points available and the other higher cost proposals receive a percentage of the available points based on their submitted cost.

Example:

Offeror 1 - Low Bidder at $100,000 gets maximum points - a score of 40

Offeror 2 - High Bidder at $150,000 gets 62.5% of points - or a score of 26.67

Offeror 1 Price/Offeror 2 Price then multiply by total

100,000 divided by 150,000 times 40)

Final scores for all vendors.

City of Broken Arrow Enterprise Resource Planning System Project					
Total Scores					
Vendor	**Round 1**	**Round 2**	**Round 3 (References)**	**Round 3 (Costs)**	**Total**
	100 Possible Points	30 Possible Points	30 Possible Points	40 Possible Points	200 Possible Points
Cayenta	73.50	-	-	-	73.50
Ciber	79.88	20.25	13.00	40.00	153.13
JK Seva	70.25	-	-	-	70.25
OnActuate	55.00	-	-	-	55.00
S&S	72.00	-	-	-	72.00
Tyler	83.25	26.25	25.25	39.13	173.88
Ultimate	59.75	-	-	-	59.75

We started contract negotiations with Tyler Technologies.

Contract Negotiations	January 28 - July 1, 2019

Following are some of the agreed contract provisions negotiated by staff.

- 11.5% reduction in license fees saving $240,000.00

- 20% holdback on license fees and services to provide leverage for on-time implementation. Amounts held back are included in the total cost and will be paid at the end of each phase of the implementation

- A reduction in annual maintenance fees in years 6, 7 and 8 saving $14,600.

Full implementation is estimated to take at least twenty-four (24) months and will be completed in four phases.

Implementation Schedule			
Phase	**Functional Area**	**Start Date**	**Go-Live Data**

1	Financials	Aug 2019	July 2020
2	Utility Billing	Feb 2020	Feb 2021
3	Human Capital Manage	Aug 2020	July 2021
4	Tyler Asset Managemer	Sept 2020	Aug 2021

Breakdown of cost for this project.

DESCRIPTION	One Time Fees
Tyler Technologies	
Total Tyler Software	$720,098.00
Total Tyler Services	$1,111,150.00
Total 3rd Party Hardware, Software and Services	$28,657.00
Tyler Contract Total:	**$1,859,905.00**
Tyler Travel Expense	**$298,580.00**
Optional Tyler Software & Related Services	**$456,686.00**
Tyler Total Cost	**$2,615,171.00**

Cost: $2,615,171.00

Funding Source: 2018 General Obligation Bond and BAMA Capital

Requested By: Stephen Steward, Information Technologies Director

Approved By: City Manager's Office

Attachments: Tyler Technologies License and Services Agreement

Recommendation:

Award the most advantageous bid to Tyler Technologies for Request for Proposals for Software and Implementation Services for an Enterprise
Resource Planning (ERP) System and approval and authorization to execute the License and Services Agreement.