



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Award a Contract to Tyler Technologies for the Permitting, Licensing, and Inspection System (F18-259)

#### **REPORT IN BRIEF**

Approval is requested to award a five-year contract with a not-to-exceed amount of \$2,538,745 to Tyler Technologies Inc. (Tyler) of Duluth, GA for the implementation services and Software-as-a-Service (SaaS) cloud licensing of the EnerGov cloud platform suite for EnerGov Business Management (EnerGov) for development services activities . The contract consists of implementation services in the amount of \$1,101,740 and a five-year EnerGov licensing agreement in the amount of \$1,431,005. Approval is also requested for a 10% contingency for implementation services in an amount of \$110,174 and to delegate authority to the City Manager to renew the licensing agreement for four (4) additional one-year periods within budgeted amounts, provided pricing and services remain acceptable.

#### **EXISTING POLICY**

Pursuant to Chapter 2.08 of the Sunnyvale Municipal Code, contracts for this type of service are awarded pursuant to a Request for Proposals (RFP) best value process, unless otherwise exempt from the competitive bidding process. Additionally, City Council approval is required for the procurement of goods and/or services exceeding \$100,000 in any one transaction.

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organization or administration activity that will not result in direct or indirect physical changes in the environment.

#### **BACKGROUND AND DISCUSSION**

The permitting system currently used by the City is a custom-developed application that no longer supports standards for usability, scalability and integration with typical enterprise systems that will support the City's business needs. This has resulted in citywide efficiency and productivity impacts to departments that are responsible for supporting permitting, planning, code enforcement, and public safety processes. The City is committed to maintaining its positive legacy of providing a Permitting One-Stop experience both at the counter and online through the City's e-OneStop permitting portal. Currently, the popularity of online resources and e-OneStop permitting portal has increased significantly and the City desires to continue to be as responsive as possible in meeting this need.

In June of 2018, the City issued a Request for Proposal (RFP) for the purchase and implementation

of a Permitting System. The City received four proposals. An evaluation team consisting of staff from the departments of Information Technology, Community Development, Public Safety, and Public Works evaluated the proposals. The evaluation team invited all proposers for an interview and demonstration of their solutions. Following the interview and demonstrations, the evaluation team requested a test environment from three proposers that allowed staff to evaluate the usability of the system. After evaluating the products, staff selected Tyler EnerGov to replace the City's current permitting system.

EnerGov provides modernized software that will best assist with citywide process improvements while improving the City's ability to deliver outstanding service. This solution will provide the City with implementation related services itemized in the Investment Summary and described in the Scope of Professional Service (Statement of Work) included in the contract. EnerGov is a Software as a Service (SaaS) solution that will host the City's data on shared hardware from Tyler, with a dedicated and secure database for the City.

After selection, the City began negotiations with Tyler which were significantly extended while the scope of services, process deliverables and costs were negotiated and confirmed with the Departments of Information Technology and Community Development. The resultant contract includes a thorough Statement of Work, no increases for the first three years of the licensing fee, and only nominal fees for unlimited data storage.

The implementation schedule includes functionality development within the Development Review, Code Enforcement and Business Licensing processes that have an estimated duration of 18 months. The implementation goals for this software will allow the City to be more accessible and responsive to external and internal customer needs and more efficient in its operations through:

- Streamlining, automating, and integrating business processes and practices;
- Providing tools to staff and the public that allow access to information in a real-time environment;
- Enabling users to be more efficient, productive and responsive; and
- Meeting future City goals that guide orderly growth, promote safety and livability, foster economic vitality and encourage community collaboration.

In support of best practices for implementing the EnerGov solution, the City will enter into a separate licensing agreement with BlueBeam for electronic plan review, within the City Manager's authority, which will integrate with EnerGov. This software is required for plan review to occur within EnerGov and improves workflow, routing, plan review markup, commenting and the ability to reduce paper-based workflows. With the City's need to respond to changing requirements due to Shelter in Place and a growing need to conduct electronic plan reviews, the City has started to use BlueBeam and allocated additional storage for the electronic plans to be used while implementing EnerGov. All records will be migrated into EnerGov as part of the implementation.

Moving from a home-grown, highly customized system to an enterprise, cloud-based system is a resource intensive and complex effort. This implementation effort will significantly impact City staff in Community Development. The City will be hiring a mix of term limited, casual and contract staff as

augmentation and backfill for regular day-to-day responsibilities within the departments of Community Development and Information Technology. To ensure successful implementation, including organizational change, required project staff must remain dedicated to the project. Funding for backfill staff and project management has been included in the budget for the project.

### **FISCAL IMPACT**

Funding for implementation and operating costs are provided in Project 832270 for the full twenty-year financial plan. The funding was provided to the Technology and Communication Services Internal Service Fund through contributions from the Development Enterprise Fund. The replacement schedule for SaaS solutions is on a ten-year cycle. Replacement funds have not been budgeted and will be considered for funding from the Development Enterprise Fund during the FY 2021/22 budget process.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety; and by making the agenda and report available at the Office of the City Clerk and on the City's website.

### **RECOMMENDATION**

Take the following actions:

- Award a five-year contract in substantially the same form as Attachment 1 to the report in the amount not to exceed \$2,583,745 to Tyler Technologies Inc.;
- Authorize the City Manager to execute the contract when all necessary conditions have been met;
- Approve a 10% contingency for the implementation services in the amount of \$110,174; and
- Delegate the authority to the City Manager to renew the licensing contract for four additional one-year periods within budgeted amounts, provided services and pricing remain acceptable to the City.

Prepared by: Gregory S. Card, Purchasing Officer

Reviewed by: Tim Kirby, Director of Finance

Reviewed by: Kathleen Boutte Foster, Chief Information Officer

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Draft Licensed Software, Services and Maintenance Agreement