

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Jennifer Hennessy, Director of Finance

DATE: August 10, 2021

SUBJECT: Approve License and Services Agreement with Tyler Technologies, Inc. for the Upgrade of the City's Financial Accounting Software System

RECOMMENDATION: That the City Council approve the License and Services Agreement with Tyler Technologies, Inc. for the upgrade and conversion to the Munis Financial Software System, for a total contract cost of \$673,450, including both one-time implementation and software license fees and recurring annual software maintenance costs.

BACKGROUND: The City of Temecula has utilized the Eden Financial Management Software System since 2001. Eden serves as the primary financial software application to manage the City's General Ledger, Accounts Payable, Accounts Receivable, Fixed Assets Inventory, Purchasing, Project Accounting, Human Resources and Payroll functions. Eden is owned by Tyler Technologies, who also offer Munis Financial Management, an Enterprise Resource Planning (ERP) system for all accounting, budgeting, procurement and human capital management functions within the City.

In Fiscal Year 2020-21, the Council approved the Citywide Financial System Upgrade capital project, to provide funding for the upgrade of the City's Financial Accounting System. The entire project is anticipated to cost approximately \$1.3 million, including the cost of the software, license, implementation, consultants, staffing and travel and is funded with Measure S and the Technology Replacement Fund.

City staff has been working with Tyler Technologies over the past year to negotiate the terms and conditions of the attached License and Services Agreement, including the Investment Summary (i.e., contract pricing terms). Once approved, Tyler Technologies will assign an Implementation Team to begin working with City staff on the conversion from Eden to Munis. It is anticipated the project will take up to two years to fully implement the new software system.

FISCAL IMPACT: The License and Services Agreement includes one-time fees of \$639,110 for the software, license, implementation costs, data conversion and travel. Annual software maintenance fees of \$34,340 will be recurring, beginning one year after the contract is executed. Adequate funds for this contract are included in the Fiscal Years 2022-26 Capital Improvement Program Budget.

ATTACHMENTS:

1. License and Services Agreement
2. Capital Project Sheet