



Legislation Text

File #: Res 2020-73, **Version:** 1

RESOLUTION AUTHORIZING RENEWAL OF TYLER TECHNOLOGIES AGREEMENT FOR THE PURCHASE AND USE OF NEW WORLD ERP SOFTWARE

Summary and Background Information:

The current Standard Software Maintenance Agreement (SSMA) between New World Systems Corporation (New World) and Commerce City is set to expire on September 30th, 2020. The City has been using the New World ERP software and associated maintenance and support services for more than 10 years. These are the City's principal Finance and Human Resource software applications and they are being used by every City department.

New World Systems Corporation merged with Tyler Technologies (Tyler) in November 2015. Tyler has been honoring the New World SSMA in good faith but now that it is up for renewal Commerce City and Tyler are negotiating a new License and Services Agreement (LSA). This LSA includes the continued licensing, software updates, and support services for the New World ERP software.

The proposed LSA would run from October 1st, 2020 to September 30th, 2021 and would automatically renew annually for a maximum of three (3) years, with a rate increase not to exceed 3% per year. This LSA will allow continued use of the business critical software for the City. The City Manager has approved a Sole Source Agreement with Tyler Technologies because a) it would be an administrative and financial burden to bid this out competitively at this time, and b) there are no other vendors who provide support for this product. The cost of this one year agreement is \$122,058.30 with proposed automatic annual renewal up to three (3) years not to exceed a cost of \$377,270.00.

Staff Responsible (Department Head): Justin Bingham, Director of IT

Staff Member Presenting: Alice McCarthy

Financial Impact: \$377,270.00 over 3 years

Funding Source: IT Internal Services Fund - Software Maintenance, the first year of which has already been appropriated in the 2020 budget.

Staff Recommendation: Staff recommends moving forward with approving the License and Services Agreement for Tyler Technologies' New World ERP software and services subject to finalization of the contract and executed by the City Manager.

Suggested Motion: Approve Resolution 2020-73, authorizing a new License and Services Agreement with Tyler Technologies for the licensing and use of the New World ERP products, software and services.