DATE: March 28, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Jovan D. Grogan, City Manager

PREPARED BY: Bobby Magee, Interim Finance Director

SUBJECT: Consider Adoption of a Resolution to Authorize the City Manager to Negotiate and Enter Into an Agreement With OpenGov for Procurement Software, Along With Related Business Process and Implementation Services, and Support Services, for a Total Amount Not to Exceed $100,000

BACKGROUND: Enterprise resource planning (ERP) software is basically the financial heart of an organization. It connects and integrates all of the different financial aspects in the City and has workflows that connect different processes (e.g. employee information, payroll and the General Ledger) together. The City's current ERP solution, Tyler Eden, will no longer be supported by the provider after March 1, 2027.

On February 28, 2023, the City Council authorized the City Manager to enter into an agreement with Tyler Technologies, Inc. for the upgrade to the City's existing ERP software from Tyler Eden to Tyler Munis.

At this same meeting, staff recommended that the City Council authorize the City Manager to enter into an agreement with OpenGov to provide their procurement and purchasing solution as an additional and complementary solution in addition to Tyler Munis for the City's procurement and purchasing needs.

Council expressed that they would like additional information regarding staff's recommendation to use OpenGov for procurement and purchasing.

DISCUSSION: An ERP system is typically seen as an "all-in-one software" solution that provides multiple pieces of functionality via various modules (for example: the City currently uses the Tyler Eden procurement and purchasing module), all integrated around the core software.

However, one or more of those modules in an ERP might not necessarily be the absolute best possible solution for an organization. When this is the case, the organization can decide to use the module in the ERP and have unmet needs or pursue a strategy of purchasing "Best in Class/Breed" software and integrate that additional software within its ERP software.

As part of the research process to decide on a path forward for replacing the Tyler Eden ERP software, key City staff saw demonstrations of the Tyler Munis procurement and purchasing module, as well as an alternative solution from OpenGov.

Although feedback on both the Tyler and OpenGov procurement and purchasing modules were very positive, particularly in light of the tools currently available, the OpenGov solution offering was determined to be a better fit for the City.

In a decentralized procurement environment such as the City of San Bruno, the OpenGov procurement and purchasing software provides a number of additional features that will assist staff with creating highly effective bid solicitations, which will help identify the "best value" for any particular good or service and maximize the value for the City's expenditures.

For example, the OpenGov procurement software contains: logic within its programming that guides end users with best practices for appropriate bid solicitation methods; a database of solicitations and similar scopes of work that other municipalities have successfully completed; a network of professionals that are available to the City for solicitation advice.

OpenGov's procurement and purchasing solution also provides automation, collaborative guided workflows, and intelligent boilerplates, inline comments, project tracking reports, and automatic alerts.

OpenGov's procurement and purchasing solution will integrate with Tyler Eden and will also integrate with Tyler Munis when the City completes the upgrade project.

Additionally, the City has traditionally used the "Best in Class/Breed" approach for software. In many cases, using specialized software provides functionality that enhances City/Department operations. Contracting for OpenGov's procurement and purchasing solution will continue the City's past practices of providing the best tools for staff to increase operational efficiency and efficacy.

Using a specialized solution for procurement and purchasing is quite common. Almost thirty government agencies use the combination of Tyler as their ERP and OpenGov as their procurement and purchasing solution.

The City's Procurement Ordinance requires contracts to be competitively procured. However, it also allows for the City to utilize the procurement process through joint purchasing solicitations. In this case, the OpenGov contract available to the City has been competitively procured through the National Association of State Procurement Officials, commonly known as NASPO.

FISCAL IMPACT: The City currently has $1,184,480 budgeted and allocated to the upgrade/replacement of the Tyler Eden ERP software, and as noted in last year's budget book, staff will request an additional $800,000 in appropriations for the project for FY 2023-24 for the cost of staff time and consultants for work associated with both the Tyler Technologies ERP software upgrade and implementation of a procurement and purchasing solution.

The estimated cost of implementation and related support services for the OpenGov's procurement and purchasing software is approximately $100,000. This figure includes fixed costs for the implementation process and expert consulting services for both the Information

Technology Division and the Finance Department.

There are sufficient funds in the existing and planned appropriations associated with the Tyler Eden ERP software upgrade project to contract for OpenGov's procurement and purchasing solution.

ENVIRONMENTAL IMPACT: There is no environmental impact.

RECOMMENDATION: Adopt resolution to Authorize the City Manager to negotiate and enter into an Agreement with OpenGov for its procurement and purchasing solution, along with related business process and implementation services, and support services, in an amount not to exceed $100,000.

ALTERNATIVES:
1. Direct staff to conduct a Request for Proposal process to identify other procurement and purchasing solutions.
2. Direct staff to explore contracting for a procurement and purchasing module directly with Tyler Munis.

ATTACHMENTS:
1. Resolution