OAKLEY

CALIFORNIA

STAFF REPORT

Approved and Forwarded to the City Council:

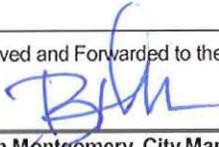Bryan Montgomery, City Manager

Date: September 13, 2016

To: Bryan H. Montgomery, City Manager

From: Deborah Sultan, Finance Director

SUBJECT: Authorize purchase of Tyler Technologies (Eden) Payroll and Human Resources Modules

Background and Analysis

For several months now, the Finance Department has been exploring various options to improve efficiencies in the payroll processing and inputting of timecards. This is particularly critical as we have added over 35 new personnel in the Police Department. Discussions with our current payroll processor, Paychex, regarding a timekeeping program to eliminate the manual entry of timecards into the payroll system yielded no productive results. Staff then began the process of looking at other payroll processors and the option of bringing the payroll processing in-house through our current accounting system Tyler Technologies/Eden. After considerable research and discussion, staff has decided that it would be best to stay with Tyler Technologies and utilize its payroll processing module.

Currently, the payroll process is a manual and very time- consuming process and significant efficiencies can be achieved with the Tyler Technologies. Staff has analyzed the process: to complete the payroll each pay period it requires approximately seven to eight hours. Once the payroll has been processed, staff must create the journal entries that record the expenditures in the City's accounting system. During various times during the year, other projects take priority and the recording of the expenditures can be as late as three months. In the last City's financial audit, the auditors noted in the Memorandum on Internal Control a deficiency in the timely manner in which journal entries were be prepared and reviewed.

Staff ruled out other payroll processors as either the cost was equal or greater than we are currently paying, and still much of the process would be manual. Tyler Technologies quoted a few modules that would be used to process payroll. Beginning with the Human Resources module, besides the usual tasks of tracking all employees' data needed to produce a paycheck, it would enable staff to track pay history, job history, training, disciplinary actions, and special skills all in one place. A part of the Human Resource module is the web extension which allows employees to view their information including deductions, withholdings and past paychecks. The next module, and the biggest, is the payroll module which will calculate the payroll for each employee, create the journal entries to record the expenditures into the financial system, and create the reports for tax filings and that will import into the PERS system. A part of the payroll module is the web

extension, which allows employees to enter their time directly into the Tyler Technologies/Eden system, the system sends an email to their supervisor to approve and the data is directly entered into the payroll system.

The advantages to bringing payroll in house is the flexibility of designing the system to fit our needs, the automation of the process and more efficient reporting capability. Finance and Human Resources staff must maintain various other files to track and record data that is needed by employees, outside vendors, other agencies and to comply with State and Federal regulations. The Tyler Technologies/Eden system would allow staff to store this data in one place and create reports as needed. The one disadvantage to leaving our payroll processor is the responsibility of all quarterly and annual tax filings, and staying current on new laws and regulations that affect payroll. This new payroll system creates the reports for the tax filings including the W-2's that staff would need to review before filing.

Fiscal Impact

The purchase of all the modules for $63,200 including conversion services of $9,600 will impact the General Fund undesignated reserves. The conversion services are optional. In analyzing the new system, staff is unsure if they will need the conversion services as much of the information needed is not automated. The $4,770 in annual maintenance will be included in the general operating budget each year. The difference between the new annual maintenance and the annual cost of Paychex ($20,800) nets a savings of $16,030 per year. Based on that savings, the City will recoup the one-time costs in approximately four years.

Recommendation

Staff recommends the City Council authorize the purchase Tyler Technologies/Eden Payroll and Human Resources modules. The quotation is attached.

RESOLUTION NO._____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY APPROVING THE PURCHASE OF TYLER TECHNOLOGIES EDEN PAYROLL AND HUMAN RESOURCES MODULES

BE IT RESOLVED by the City Council of the City of Oakley that the Council approves the purchase of Tyler Technologies Eden Payroll and Human Resources modules agreement, a true and accurate copy of which is attached hereto, and the City Manager is hereby authorized and directed to sign said agreement on behalf of the City.

The foregoing resolution was adopted at a regular meeting of the City Council of the City of Oakley held on the 13th day of September 2016, by Councilmember _____, who moved its adoption, which motion being duly seconded by Councilmember _____, was upon voice vote carried and the resolution adopted by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED:

_____
Kevin Romick, Mayor

ATTEST:

_____
Libby Vreonis, City Clerk   Date

Quoted By:	Christina Hendrickson
Date:	6/16/2016
Quote Expiration:	12/13/2016
Quote Name:	Oakley-ERP-Payroll/HR
Quote Number:	2016-21191
Quote Description:	Eden Payroll and HR Modules

Sales Quotation For

City of Oakley

3633 Main Street

Oakley, California 94561

Phone (925) 625-7000

Tyler Software and Related Services

Description	License	Impl. Days	Impl. Cost	Data Conversion	Module Total	Year One Maintenance
Human Resources:						
HR Web Extension	$5,000.00	0 @ $1,200.00	$0.00	$0.00	$5,000.00	$900.00
Human Resources	$6,500.00	5 @ $1,200.00	$6,000.00	$0.00	$12,500.00	$1,170.00
Payroll	$15,000.00	17 @ $1,200.00	$20,400.00	$0.00	$35,400.00	$2,700.00
Web Time Entry Training	$0.00	3 @ $1,200.00	$3,600.00	$0.00	$3,600.00	$0.00
Sub-Total:	$26,500.00		$30,000.00	$0.00	$56,500.00	$4,770.00
Less Discount:	*$5,300.00*		*$0.00*	*$0.00*	*$5,300.00*	*$0.00*
TOTAL:	**$21,200.00**	25	**$30,000.00**	**$0.00**	**$51,200.00**	**$4,770.00**

Other Services

Description	Quantity	Unit Price	Unit Discount	Extended Price
Web HR Consulting	1	$1,200.00	$0.00	$1,200.00
Web Setup - Initial Web Server Install	1	$1,200.00	$0.00	$1,200.00
TOTAL:				**$2,400.00**

Attachment 2

Summary	One Time Fees	Recurring Fees
Total Tyler Software	$21,200.00	$4,770.00
Total Tyler Services	$32,400.00	$0.00
Total 3rd Party Hardware, Software and Services	$0.00	$0.00
Summary Total	**$53,600.00**	**$4,770.00**
Contract Total	**$58,370.00**	

Optional Tyler Software & Related Services

Description	License	Impl. Days	Impl. Cost	Data Conversion	Module Total	Year One Maintenance
Additional:						
Human Resources - Conversion	$0.00	0 @ $1,200.00	$0.00	$3,600.00	$3,600.00	$0.00
Payroll - Conversion	$0.00	0 @ $1,200.00	$0.00	$6,000.00	$6,000.00	$0.00
Tyler Output Processor	$7,000.00	2 @ $1,200.00	$2,400.00	$0.00	$9,400.00	$1,260.00
Sub-Total:	$7,000.00		$2,400.00	$9,600.00	$19,000.00	$1,260.00
Less Discount:	*$1,400.00*		*$0.00*	*$0.00*	*$1,400.00*	*$0.00*
TOTAL:	**$5,600.00**	2	**$2,400.00**	**$9,600.00**	**$17,600.00**	**$1,260.00**

Optional Other Services

Description	Quantity	Unit Price	Discount	Extended Price
On Site Data Mapping - Consulting - HR	3	$1,200.00	$0.00	$3,600.00
TOTAL:				**$3,600.00**

Optional Conversion Details (Prices Reflected Above)

Description	Unit Price	Unit Discount	Extended Price
Human Resources - Conversion	$3,600.00	$0.00	$3,600.00
Payroll - Conversion	$6,000.00	$0.00	$6,000.00
TOTAL:			**$9,600.00**

Unless otherwise indicated in the contract or Amendment thereto, pricing for optional items will be held for Six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____   Date: _____

Print Name: _____   P.O. #: _____

All primary values quoted in US Dollars

Tyler Discount Detail

Description	License	License Discount	License Net	Maintenance Basis	Year One Maint Discount	Year One Maint Net
Human Resources:						
HR Web Extension	$5,000.00	$1,000.00	$4,000.00	$900.00	$0.00	$900.00
Human Resources	$6,500.00	$1,300.00	$5,200.00	$1,170.00	$0.00	$1,170.00
Payroll	$15,000.00	$3,000.00	$12,000.00	$2,700.00	$0.00	$2,700.00
Web Time Entry Training	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Optional Tyler Discount Detail

Description	License	License Discount	License Net	Maintenance Basis	Year One Maint Discount	Year One Maint Net
HR Web Extension	$5,000.00	$1,000.00	$4,000.00	$900.00	$0.00	$900.00
Human Resources	$6,500.00	$1,300.00	$5,200.00	$1,170.00	$0.00	$1,170.00
Payroll	$15,000.00	$3,000.00	$12,000.00	$2,700.00	$0.00	$2,700.00
Web Time Entry Training	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Additional:						
Tyler Output Processor	$7,000.00	$1,400.00	$5,600.00	$1,260.00	$0.00	$1,260.00
Total:	**$7,000.00**	**$1,400.00**	**$5,600.00**	**$1,260.00**	**$0.00**	**$1,260.00**

Comments

Conversion prices are based on a single occurrence of the database. If additional databases need to be converted, these will need to be quoted.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the size and scope of your project. The actual amount of services depends on such factors as your level of involvement in the project and the speed of knowledge transfer.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting.

In the event Client cancels services less than two (2) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

For existing EDEN Clients, the fees are billed as follows:

 - 100% of Application Software License Fees upon delivery of the software products

 - 100% of the Year 1 Application Software Maintenance Fees are billed upon Initiation (first day of training)

 - 100% of the Third Party Product License Fees/Purchase Price upon delivery of the third party products

 - 100% of the Year 1 Third Party Product Maintenance Fees upon delivery of the third party products

 - Services and associated expenses as provided/incurred.

Payment is due within 30 days of invoice receipt. Quote is subject to existing Contract