



STAFF REPORT

DATE: February 20, 2018 Meeting

TO: Ronald L. Olson, City Manager

FROM: Luevada Posey, Executive Director of Municipal Court

SUBJECT: Renewal of Annual Maintenance Agreement of Municipal Court Software

BACKGROUND AND FINDINGS:

The Court purchased specialized software from Tyler Technologies in 2014; which included a maintenance agreement. This agreement renews automatically unless terminated by either party prior to the end of the current term. In accordance with the agreement, the fees, which are subject to change, have increased 5% annually since inception.

The maintenance agreement includes such benefits as unlimited help desk assistance, system upgrades at no additional costs, automatic updates to address bugs/fixes, and system improvements. Included are necessary updates to the system as a result of mandatory legislation, which can occur every two years. Tyler Technologies continuously adds new features and improvements to their court software product, which are easily installed at the press of a button; updates and fixes are installed approximately every two weeks. The Court has access to a list-serv that includes courts from all over the country who exchange innovative ideas to improve court processes.

Because Killeen is considered a large court by Tyler Technologies there are additional benefits, not provided to smaller courts, that have a positive impact on the operations of this court. Once a month, a Tyler Technologies representative, specifically assigned to Killeen, contacts the court to inquire what (if any) issues are occurring with the software and to solicit suggestions for improvement. During this past year several of our suggestions were forwarded and approved for development and will be implemented in 2018. Once a year, Tyler Technologies (at their own expense) sends a team of representatives to Killeen for an onsite visit in order to observe court, counter and administrative processes. This year that team included one of their developers. This visit enables Tyler Technologies to view their software in real time situations, which provides them with the opportunity to meet and brainstorm developmental ideas with court personnel and to discuss all levels of occurring issues.

This year the court requested Tyler Technologies to consider a reduction in the cost of maintenance fees. In response, Tyler Technologies submitted two proposed addendums to the original contract:

1st proposal - An addendum which locks-in a five year maintenance agreement with an annual increase capped at 2% annually; or

2nd proposal - An addendum to the original contract that locks-in a three year maintenance agreement with an annual increase capped at 3% annually. At the end of the agreement the annual increase will revert back to 5% or renegotiations will be necessary; or

(The annual increase does not apply to an online component which is \$1,200 of the maintenance fee)

Funds for this purchase were budgeted from the Court Technology Fund in FY 2018. This item is being brought before council because the cost of maintenance exceeds \$50,000 and an addendum to the original contract is being requested.

THE ALTERNATIVES CONSIDERED:

Option 1 - Accept proposal #1 and enter into a five year maintenance agreement with an annual increase capped at 2% for the term of the agreement. This option will save approximately \$30,920 over a five (5) year period.

Option 2 - Accept proposal #2 and enter into a three year maintenance agreement with an annual increase capped at 3% for the term of the agreement. This will revert to 5% at the end of three years unless the maintenance agreement is renegotiated. This option will save approximately \$16,668 over a five (5) year period.

Option 3 - Make no change to the maintenance agreement and renew automatically annually and incur a 5% annual increase each year.

Which alternative is recommended? Why?

Staff recommends that Council authorize the City Manager to sign an addendum entering into a five (5) year maintenance agreement and authorize annual payment for the term of that agreement. This purchase is funded out of the Technology Fund and it is in the best interest of the City to lock-in a five year maintenance agreement with a guaranteed lower annual increase rate of 2%; the City will save approximately \$30,920 over a five (5) year period with this option.

CONFORMITY TO CITY POLICY:

Sole Source

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year?

\$65,071

For future years?

The current renewal fee plus an annual increase of 2% over the next five years.

Is this a one-time or recurring expenditure?

This is a recurring annual expenditure.

Is this expenditure budgeted?

Funds are appropriated in the Court Technology Fund in account 240-0000-417-4243.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes.

RECOMMENDATION:

Staff recommends authorizing the City Manager to sign an addendum to the original contract which guarantees a five year maintenance plan with an annual increase capped at 2%.

DEPARTMENTAL CLEARANCES:

Information Technology
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Original Contract
Renewal Quote 2018-19
Maintenance and Support Renewal Addendum
Sole Source
Certificate of Interested Parties