Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

AGENDA
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Council Chambers, 305 West Third Street
July 23, 2024
Regular Meeting - 5:00 to 6:30 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 899 3165 4192
3. Passcode: 371271

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

   a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
   b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
   c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

   a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE
CONSIDERATION OF TELECONFERENCE PARTICIPATION PURSUANT TO ASSEMBLY BILL 2449.

During this meeting, Councilmember Teran will be participating remotely from the following location: Holiday Inn Sacramento, 300 J Street, Sacramento, CA 95814.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA
A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the July 9, 2024 regular meeting as presented.
Contact: Rose Chaparro, (805) 385-7805

D. REPORTS

1. Finance Department
SUBJECT: Implementation of the City's Fiscal Year 2024-2025 $20 million payment for Long Term Debt Reduction for Pension and OPEB. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend City Council:

1. Direct staff to make an Additional Discretionary Payment (ADP) to CalPERS in the amount of $15 million toward the City's Unfunded Actuarial Liability (UAL).
2. Direct staff to create one Internal Revenue Service (IRS) Code Section 115 Trust for Pension and one for Other Post-Employment Benefits (OPEB).
3. Direct staff to fund the Pension 115 Trust with the initial amount of $2.5 million and to fund the OPEB 115 Trust with an initial contribution of $2.5 million.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/ZN8bA7vJP-s
Contact: Javier Chagoyen-Lazaro, (805) 200-5400

2. Finance Department
SUBJECT: Fifth Amendment to Tyler Technologies, Inc. for an ERP Software as a Service Agreement (A-8767), Extending the Contract for a New Five-Year Term, Expiring October 31, 2029. (10 minutes)
RECOMMENDATION: That the Finance and Governance Committee recommend that City Council approve and authorize the City Manager to execute a Fifth Amendment with Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) Software as a Service (SaaS) Agreement for a First Renewal for a Five-Year Term for an Amount Not to Exceed $5,450,000.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/6N8VbLsJveQ
Contact: Javier Chagoyen-Lazaro, (805) 200-5400

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: July 23, 2024

TO: Finance & Governance Committee

FROM: Rose Chaparro, City Clerk, (805) 385-7805, rose.chaparro@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Finance & Governance Committee approve the minutes of the July 9, 2024 regular meeting as presented.

BACKGROUND

Approval of Minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Rose Chaparro, City Clerk

ATTACHMENTS

1. MINUTES 07 09 2024 Finance & Governance

MINUTES
OXNARD CITY COUNCIL
FINANCE AND GOVERNANCE COMMITTEE
Regular Meeting
July 9, 2024

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 5:01 p.m., Chair John C. Zaragoza called to order the regular meeting of the Oxnard City Council Finance and Governance Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The Assistant City Clerk called the roll and announced the posting of the agenda. Chair John C. Zaragoza, Member Gabriela Basua, and Member Gabriel (Gabe) Teran were present in person.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Finance & Governance Committee approve the minutes of the June 11, 2024 regular meeting as presented.

It was moved by Member Teran, seconded by Member Basua, to approve the Information/Consent item as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion passed 3-0.

D. REPORTS

1. City Manager Department
SUBJECT: Whistleblower Activity Report.
RECOMMENDATION: That the Finance and Governance Committee receive and file an update on the City's whistleblower hotline.

Annie Jensen, Administrative Services Analyst was available to answer the Committees questions. No public comments were received. Report was received and filed; no formal action was taken.

2. Information Technology Department
SUBJECT: Second Amendment to Agreement 32400125 with Hireclout for IT Consulting and Recruiting Services.
RECOMMENDATION: That the Finance and Governance Committee recommend that

City Council approve and authorize the Mayor to execute a Second Amendment to Professional Services Agreement 32400125 with Hireclout, Inc. to increase the value of the agreement from $850,000 to $1,500,000 through June 30, 2025, for information technology consulting and recruitment services.

Robert Ruben, Chief Information Officer answered the Committees questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Teran, seconded by Member Basua, to approve the recommended action as presented. VOTE: Basua, Teran, and Zaragoza voted in favor; the motion carried 3-0.

E. ITEMS FOR FUTURE AGENDAS (No requests were made.)

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Zaragoza adjourned the meeting at 5:15 p.m.

ROSE CHAPARRO	JOHN C. ZARAGOZA
City Clerk	Chair

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: July 23, 2024

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Implementation of the City's Fiscal Year 2024-2025 $20 million payment for Long Term Debt Reduction for Pension and OPEB. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommend City Council:

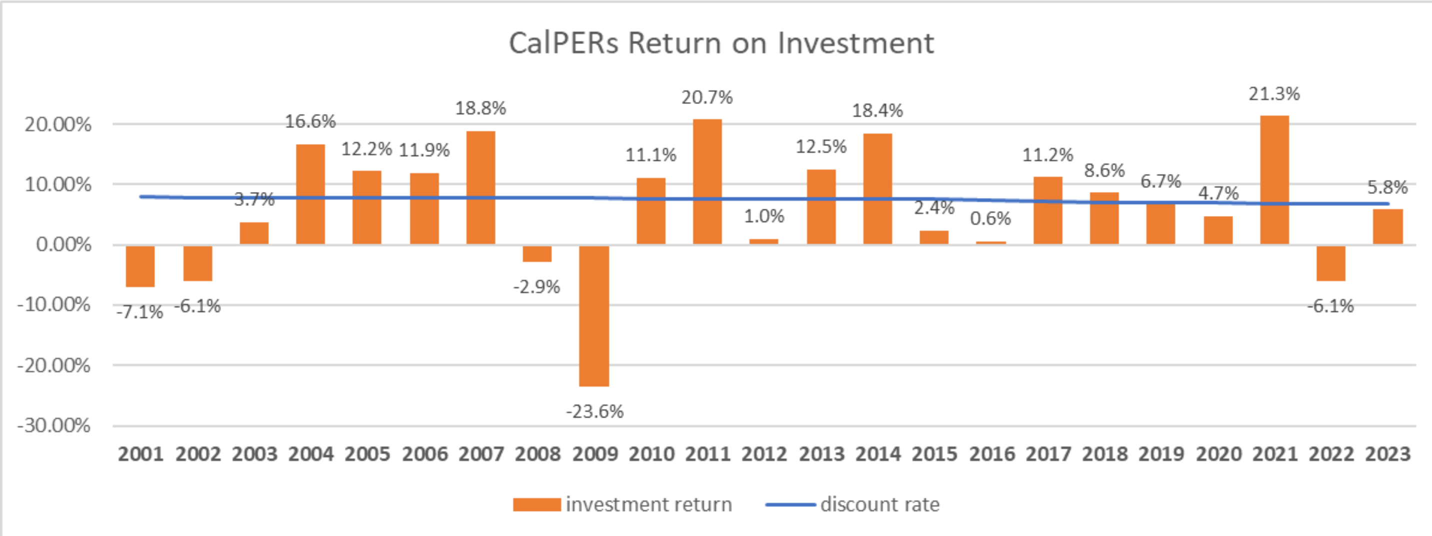
1. Direct staff to make an Additional Discretionary Payment (ADP) to CalPERS in the amount of $15 million toward the City's Unfunded Actuarial Liability (UAL).
2. Direct staff to create one Internal Revenue Service (IRS) Code Section 115 Trust for Pension and one for Other Post-Employment Benefits (OPEB).
3. Direct staff to fund the Pension 115 Trust with the initial amount of $2.5 million and to fund the OPEB 115 Trust with an initial contribution of $2.5 million.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/ZN8bA7vJP-s

BACKGROUND

The City is contracted with the California Public Employees Retirement System (CalPERS) to provide post-employment benefits (pensions) for all vested City employees. Over the last twenty years, the vast majority of cities that provide retirement benefits via CalPERS have seen significant unfunded liabilities accrue due to a number of factors that impact how pension funds operate. Lower than anticipated investment returns have had the single largest impact on the funded status of the City's pensions with losses due to the global recession in 2008 creating a very large gap between the value of assets held by cities such as Oxnard and the value of assets needed to ensure payment for current and future retirees. This gap is referred to as the unfunded actuarial liability, or UAL.

The City's pension and OPEB UAL as of June 30, 2023, were $397.7 million, with $348.7 million related to pension and $49.0 million related to OPEB liability. On June 18, 2024, City Council approved the City's FY 2024-25 Annual Budget which included a City Manager recommendation to allocate $20 million of the General Fund surplus to pay long-term debt related to pension and OPEB. The $20 million payment reduces these liabilities by an aggregate of approximately 5%. This report outlines the steps that staff is recommending to implement City Council action.



Source: CalPERS

DISCUSSION

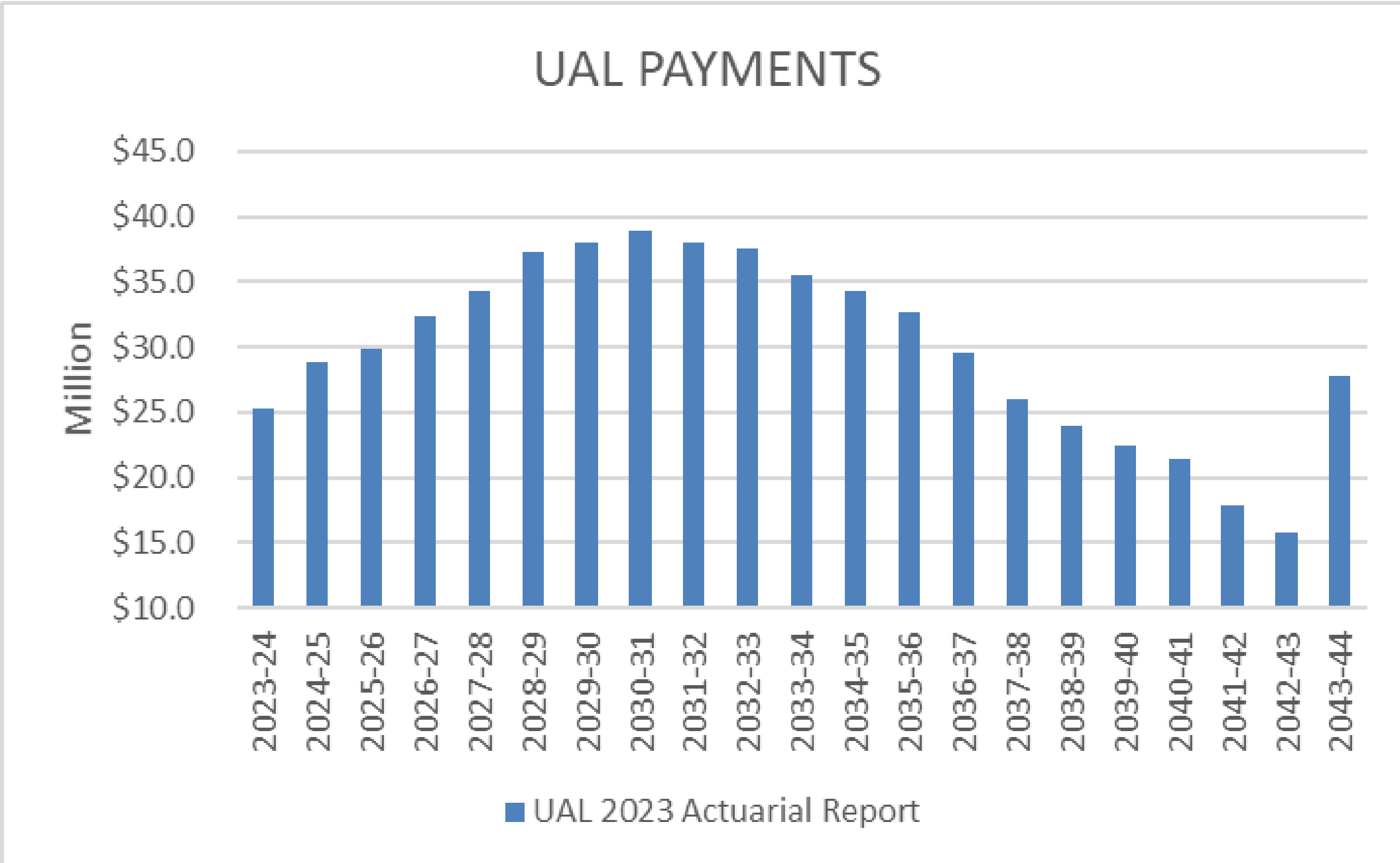
Staff recommends using a hybrid approach in funding long-term pension liabilities. This approach allows for both short-term cost reduction and long-term investment accumulation. The staff recommendation allocates a total of $17.5 million toward the City's CalPERS pension debt. The allocation to CalPERS pension debt would be made through a combination of a one-time $15 million direct contribution to CalPERS, also known as Additional Discretionary Payments (ADP), and the creation and allocation of $2.5 million to an Internal Revenue Service (IRS) Code Section 115 Pension Trust. The remaining $2.5 million would be allocated to OPEB long-term debt through the creation of an IRS 115 OPEB Trust.

In short, this hybrid approach to tackle Oxnard's long-term pension liabilities provides the following benefits:

1) An ADP to CalPERS allows for instant savings in annual payments to CalPERS. Staff recommends that savings be used to further fund the Pension Trust.
2) The trusts act as a risk mitigation tool, as one of the first steps within the City's strategic financial planning by:
    a) Reducing dependency on CalPERS investment performance and discount rate determination;
    b) Increasing investment flexibility, and adding diversification with potentially different investment guidelines than CalPERS;
    c) Enhancing oversight through regular audits and stringent governance mechanisms, ensuring the funds are managed effectively; and
    d) Providing access to the funds for future ADPs to CalPERS, or for retiree healthcare benefits.

ADP to CalPERS

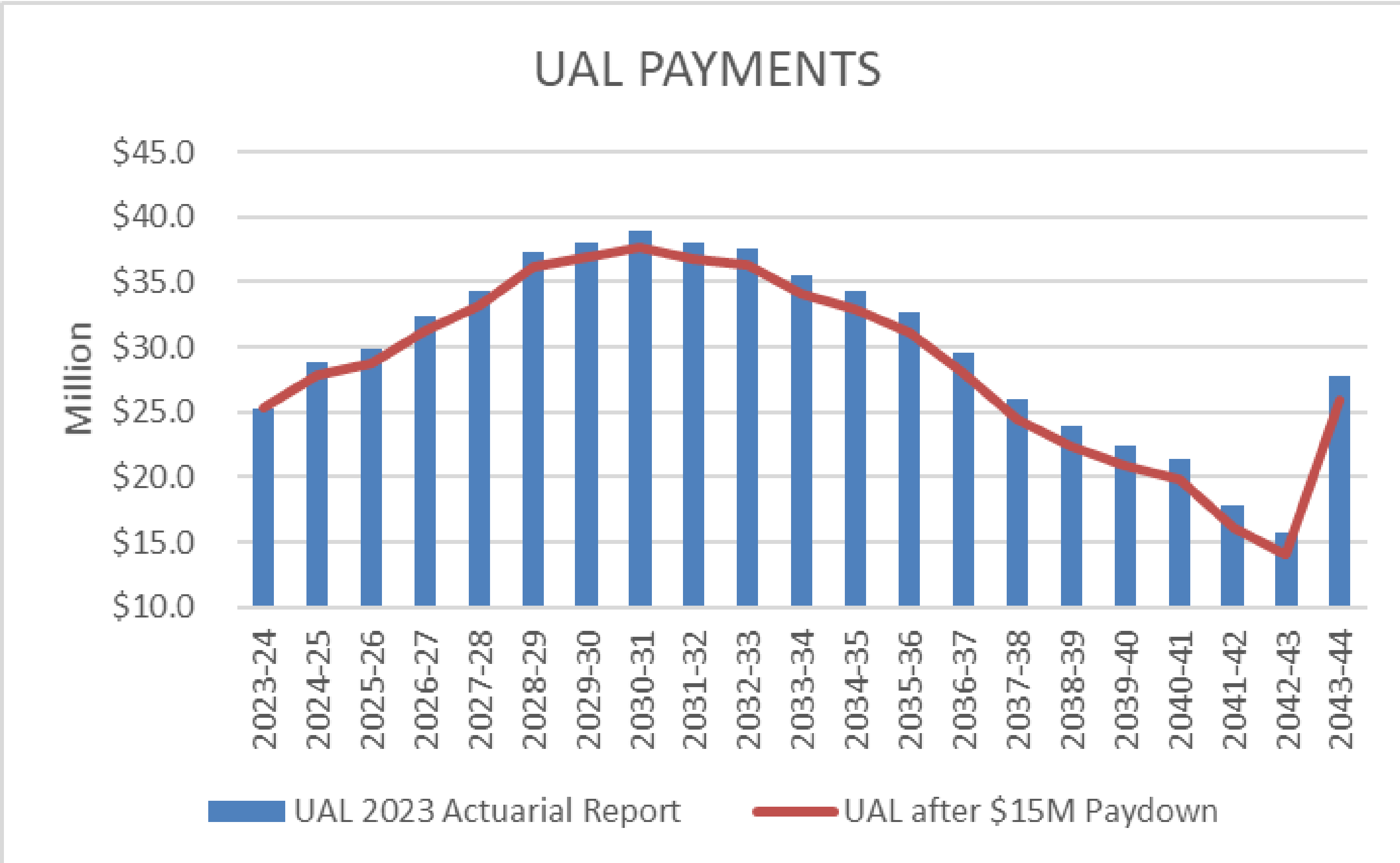
CalPERS required annual contributions include two components: Normal Cost and Unfunded Actuarial Liabilities (UAL). Normal cost represents the contribution needed to pay for benefits earned each year as a percentage of an employee's reportable compensation (the amount of an employee's paycheck that is used to calculate their eventual retirement income). UAL payments represent the minimum payment required as calculated by CalPERS to pay down the difference between the estimated cost of future benefits and the assets that have been set aside to pay for those benefits based on actuarial amortization calculations. Based on the 2022-23 actuarial report, the City's annual payments towards pension UAL are expected to peak at almost $39 million by fiscal year 2030-31. The next chart represents, on an adjusted scale, the City's expected payments towards UAL based on the 2022-23 CalPERS actuarial valuation report.



The UAL is impacted by differences between the assumptions made by CalPERS on many things, such as investment returns, retirement age, inflation, mortality rates, etc., to which actual results always differ, so in some years, the UAL is reduced and in some years, it increases. The UAL has an effective interest rate to the City of 6.8%, and thus, any additional payments made by the City effectively reduce the principal amount of debt owed, and similarly to a personal mortgage, can result in lower interest costs over time.

Payments made directly to CalPERS will be invested by CalPERS will be subject to the same investment returns as the overall CalPERS portfolio. Those payments generate benefits by reducing the City's outstanding pension debt and the future payments associated with that debt, while improving the City's CalPERS funding ratio. The City payment to CalPERS as an ADP is like a prepayment for a mortgage. CalPERS debt grows every year at a rate of 6.8%, so the early payment saves 6.8% interest per year. The recommended prepayment in the amount of $15 million could generate annual average savings of approximately $1.1 million for the next 20 years for a total of $27.85 million.

The chart below represents the UAL projected payments before (blue bar) and after (red line) the $15 million contribution. The difference between the red line and the top of the blue bar represents the annual cost reduction in the City's annual UAL payments.



The table below represents the data shown in the previous charts along with the estimated cost reduction after the ADP contribution.

Fiscal Year	UAL* Projected Payments	UAL* Projected Payments After $15M ADP	Estimated Annual Cost Reduction
2024-25	$28.89	$27.83	($1.06)
2025-26	$29.90	$28.81	($1.09)
2026-27	$32.45	$31.33	($1.12)
2027-28	$34.35	$33.20	($1.15)
2028-29	$37.30	$36.12	($1.18)
2029-30	$38.09	$36.87	($1.22)
2030-31	$38.90	$37.65	($1.25)
2031-32	$38.08	$36.80	($1.28)
2032-33	$37.63	$36.31	($1.32)
2033-34	$35.47	$34.11	($1.36)
2034-35	$34.38	$32.98	($1.40)
2035-36	$32.62	$31.19	($1.43)
2036-37	$29.53	$28.06	($1.47)
2037-38	$25.99	$24.47	($1.52)

2038-39	$23.99	$22.43	($1.56)
2039-40	$22.43	$20.83	($1.60)
2040-41	$21.45	$19.81	($1.64)
2041-42	$17.87	$16.18	($1.69)
2042-43	$15.75	$14.02	($1.73)
2043-44	$27.77	$25.99	($1.78)
Total	**$602.84**	**$574.99**	**($27.85)**

* UAL: Unfunded Accrued Liability
Amounts in $ million
Source: CalPERS pension Outlook website tool

Creation of Trusts
In addition to the ADP to CalPERS, staff recommends creating an IRS Code Section 115 Pension Trust and an IRS 115 OPEB Trust, allocating $2.5 million to each as the initial funding.

The funds allocated to the trusts are restricted to pay for pension and OPEB liabilities respectively. They have the potential for higher investment returns than the pooled City funds, even with investment strategies that can be more conservative than the CalPERS pension investment portfolio. In addition, they can be used to make ADPs to CalPERS or for retiree healthcare benefits at a feasible time in the future.

Rating agencies and lenders also may take a positive view on the establishment and funding of Pension and OPEB trusts as it demonstrates a commitment to pay a future liability in a manner that may reduce and more evenly distribute the City's pension and healthcare costs over time.

Next Steps
The City will start a Request for Proposals (RFP) for the creation of the Pension and OPEB trusts, including trustee, investment advisory services, and the corresponding governance documents and investment policies separated from the City's Investment Policy, to direct and monitor investment activities. The trust's governance documents will define the rules and regulations that govern the interaction within each trust, ensuring that the funds deposited are used towards the intended use. The governance documents may be supplemented with additional financial policies defining the parameters required to access trust funds.

The FY 24-25 $20 million paydown of long-term pension liabilities is only one step toward addressing the significant pensions issue. As part of an overall long-term financial planning strategy, staff will continue to evaluate options and provide recommendations to City Council on potential contributions to reduce long-term debt related to pension and OPEB with the goal to reduce future cost and improve funded ratios.

Going forward, staff recommends that the amounts calculated as the actuarial savings with the ADP to CalPERS (estimated at $1.1M annually for 20 years) be appropriated annually through the budget process as further contributions to pension debt as part of a comprehensive pension strategy. In addition, for future funding for the OPEB 115 Trust, staff recommends designating $250,000 per fiscal year through the budget process to fund the OPEB trust. For those fiscal years in which the City generates a surplus, staff may bring Council-specific recommendations to allocate surplus to these three categories to further reduce long-term debt for pension and OPEB.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There are no financial impacts associated with the recommendations in the report, as the contributions to pay long-term debt related to the pension and OPEB were appropriated in FY 2024/25 budget adopted on June 18, 2024.

Prepared by: Javier Chagoyen-Lazaro, Chief Financial Officer

ATTACHMENTS

1. Presentation

City of Oxnard Implementation of the City's Fiscal Year 2024-25 payment for Long Term Debt Reduction for Pension and OPEB

July 23, 2024

Finance and Governance Committee
Presented by:
Javier Chagoyen-Lazaro, City of Oxnard
Chief Financial Officer

CITY OF OXNARD CALIFORNIA

Recommendation

That The Finance and Governance Committee recommend City Council:

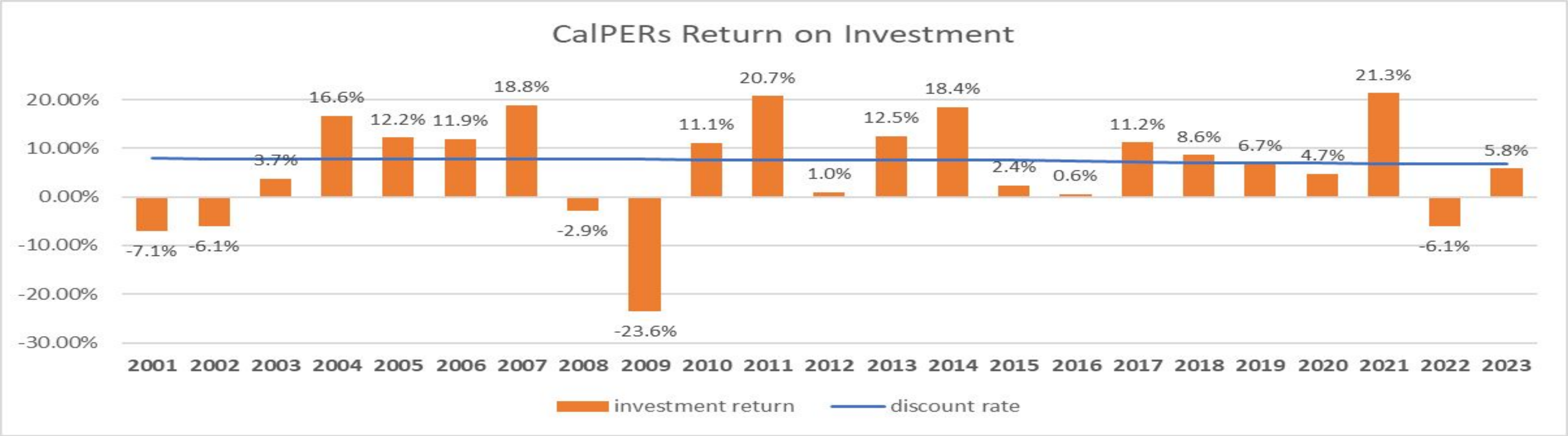
1. Direct staff to make an Additional Discretionary Payment (ADP) to CalPERS in amount of $15.0 million toward the City's Unfunded Actuarial Liability (UAL)
2. Direct staff to create Internal Revenue Service (IRS) Code Section 115 Trust for Pension and one for Other Post-Employment Benefits (OPEB).
3. Direct staff to fund the Pension 115 Trust with the initial amount of $2.5 million and to fund the OPEB 115 Trust with an initial contribution of $2.5 million.

Background

- On June 18, 2024 City Council approved the City's Annual Budget for Fiscal Year 2024-25.
- FY 2024-25 included a recommendation to apply $20 million surplus to pay long term debt related to pension and Other Post-Employment Benefits (OPEB).
- The report includes staff recommendation on how to:
  - allocate the $20 million to pension and OPEB liabilities, optimizing savings; and
  - set up a long term strategy to address future increases in pension and OPEB costs.

Discussion

- The City is contracted with California Public Employees Retirement System (CalPERS) to provide pension benefits for vested City employees.
- CalPERS investment returns are the main factor that explains the increase in UAL, defined as the difference between the cost of providing the future benefits and the values held on behalf of the City to pay for those.



Discussion

The City also contracts with CalPERS for the administration of post-employment medical benefits for employees that retire from the City and receive a CalPERS pension.

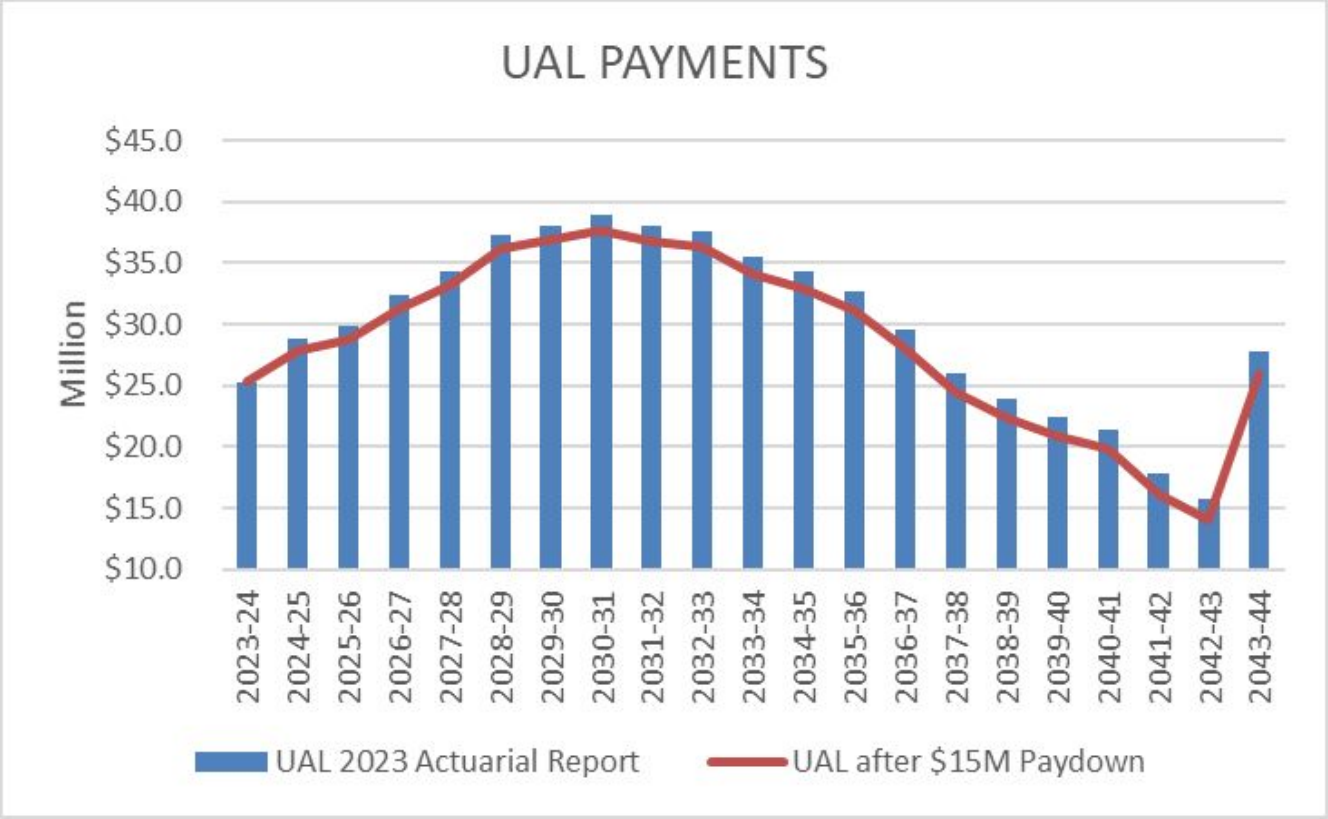
- As of June, 30, 2023

CalPERS Pension Liabilities	$348.7M
OPEB Liabilities	$ 49.0M
TOTAL	$397.7M

Discussion

1. Staff recommendation of how to apply the $20M surplus involved analysis and discussion with NHA financial advisors
2. Recommend a hybrid approach:
   a. A $15M direct payment to CalPERS, which provides short-term cost reduction
   b. Investment of $2.5M in two separate 115 Trusts:
      i. Reduce dependency on CalPERS
      ii. Increase investment flexibility
      iii. Enhance oversight
      iv. Allow for long-term “time-investment” accumulation

ADP to CalPERS $15.0M could generate *annual* average cost reduction of $1.1M over 20 years.



Source: CalPERS Pension outlook website

Discussion

- Pension 115 Trust initial funding of $2.5M
  - Future/additional annual funding to the Pension Trust with the $1.1M CalPERs cost savings (after this years payment).
- OPEB 115 Trust initial funding of $2.5M.
  - Future funding for OPEB Trust with $250k annually through the budget process.

Recommendation

That The Finance and Governance Committee recommend City Council:

1. Direct staff to make an Additional Discretionary Payment (ADP) to CalPERS in amount of $15.0 million toward the City's Unfunded Actuarial Liability (UAL)
2. Direct staff to create Internal Revenue Service (IRS) Code Section 115 Trust for Pension and one for Other Post-Employment Benefits (OPEB).
3. Direct staff to fund the Pension 115 Trust with the initial amount of $2.5 million and to fund the OPEB 115 Trust with an initial contribution of $2.5 million.

CITY OF OXNARD CALIFORNIA

Questions / Discussion

CITY OF OXNARD CALIFORNIA

FINANCE AND GOVERNANCE COMMITTEE
AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

DATE: July 23, 2024

TO: Finance & Governance Committee

FROM: Javier Chagoyen-Lazaro, Chief Financial Officer, (805) 200-5400, javier.chagoyenlazaro@oxnard.org

SUBJECT: Fifth Amendment to Tyler Technologies, Inc. for an ERP Software as a Service Agreement (A-8767), Extending the Contract for a New Five-Year Term, Expiring October 31, 2029. (10 minutes)

RECOMMENDATION

That the Finance and Governance Committee recommend that City Council approve and authorize the City Manager to execute a Fifth Amendment with Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) Software as a Service (SaaS) Agreement for a First Renewal for a Five-Year Term for an Amount Not to Exceed $5,450,000.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/6N8VbLsJveQ

BACKGROUND

On October 1, 2019, staff brought to Council a five-year Software as a Service ("SaaS") Agreement with Tyler Technologies, Inc (Tyler) for a new Enterprise Resource Planning (ERP) system that commenced November 1, 2019 and expires on October 31, 2024. The original agreement was approved by the City Council in the amount of $9,117,985 as part of a total $14,893,817 project cost (including $5,775,832 in additional implementation and hardware costs not payable to Tyler) for a five-year term. The agreement includes the SaaS maintenance fees, implementation fees, and contingency for the purchase and implementation of the ERP system that will continue to modernize the City's systems.

On November 17, 2020, staff brought to Council the first amendment to the contract, as well a recommendation that Council delegate authority to the City Manager for future Tyler Technologies deductive amendments. Since the original agreement was approved, there have been four amendments to date with a net impact reducing the contract total by just over $700,000, with the most recent amendment approved by Council on July 27, 2023. Staff projects that the City will spend approximately $5.7 million of the original $9.1 million contract value.

Staff recommends a new five-year term with Tyler Technologies to enable the City to continue to use this essential software for modules that have been implemented within the last five years, as well as complete the implementation, and make use of the remaining modules that are at various stages of development and configuration. The original SaaS agreement between the City and Tyler is 762 pages and can be read in full at oxnard.org/ERP. The four previous amendments are attached to this report.

DISCUSSION

An Enterprise Resource Planning system is the central nervous system of any organization, and the City of Oxnard is reliant on the tools and functionality of Tyler Munis, Executime to manage and report all of the city's financial information including all invoice payments, budgetary control, fixed asset management, grant management, project accounting, general billing, financial reporting and very soon, the calculation and payment of all payroll for all employees (HCM). Furthermore, the City is at various stages of configuration and implementation of additional Tyler modules, provided under this agreement, to update and enhance the city's planning and licensing operations (EPL), asset management (EAM) and utility billing functions (UB).

Originally approved in 2019 at $9.1 million, it was anticipated that the City would implement all these modules within the first five year term, however, as staff has communicated to Council in prior Tyler contract amendments, project management contracts and annual ERP reports, the initial assumptions have been updated over the years as the City has learned more about the scope and magnitude of the changes necessary, and during this period, the COVID-19 pandemic significantly impacted all City function, projects, not least the ERP project.

These modifications to the time frame, project management structure and phasing of implementation had the effect of reducing the amount of resources required under this agreement with Tyler resulting in an anticipated cost of $5.7 million compared to the original contract total of $9.1 million, a reduction in anticipated spending of $3.4 million. Much of this reduction in spend is due to reducing the amount of Tyler consulting services and extending the timelines for the implementation of later phases as the City's understanding of the complexity of the project evolved. In September 2021, the City hired Kreative Core Technologies (KCT) to provide an assessment of the overall ERP project and provide recommendations on how best to deliver the needed improvements. This report provided a new strategy to which the City has made significant progress, delivering Core Financials in October 2022, and KCT continues to be key strategic partners assisting the City to design solutions for the remaining modules, supporting staff to implement the solutions, as well as providing key IT support. On April 16, 2024 Council unanimously approved a seventh amendment with KCT to continue these services for the City under contract number 9431-21-FN.

At the time of this report, The City has implemented two major phases of the multi-phase project, Core Financials and Executime, with the Human Capital Management (HCM) / Payroll system due to launch in the coming weeks. This amendment is required for the City to continue to operate and record and report financial transactions as is required to ensure accurate and timely information and meet external audit and grant reporting requirements. All three of the remaining phases are underway and anticipated to be implemented within the term of this amendment.

Therefore staff recommends a new five-year term not to exceed $5.45 million for a new contract total of approximately $11.2 million (ten year total) with Tyler to include implementation consulting services, project management, conversion support, hardware and annual software licensing costs. The current agreement sets out a maximum increase that can apply for any extension term of five percent (5%) for the largest portion of the contract, Software as a service (SaaS) fees. Other aspects of the contract are based upon time and materials with current estimates based upon the latest information and progress for the remaining phases to be implemented. Staff anticipates continuing implementation consulting services and Tyler project management over the duration of the implementation phases of the remaining modules; HCM, EAM, EPL and UB anticipated to be completed by September 2027 when the current plan projects the final phase to be live and stable.

A copy of the amendment will be provided when this item goes to the full council along with all previous amendments. In addition, staff will return to Council for the ERP Annual Update early in calendar year 2025.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

Funding for the first year of this amendment is included in the Fiscal Year 2024-25 and staff will include the necessary appropriations for future fiscal years as part of those future budgets. Implementation costs are part of a Capital Improvement Program project C2034, funded currently by the General Fund via transfer to the Capital Outlay Fund due to the Aaron Starr lawsuit that prevents the City from issuing bonds. Council had approved a second set of ERP bonds for approximately $9.1 million in October 2022 that would have provided more funding for the ERP project. The Court ruled in favor of the City during its review of this case, however the case is currently under appeal, meaning the City is still unable to issue bonds at this time.

Software licensing fees for modules that have been implemented are charged to the City's Information Technology Department in Fund 731, whereby they are subsequently recharged to operating departments via Internal Service Fund recharges as is the case with all enterprise wide software products.

Fiscal Year & Item Cost	2024-25	2025-26	2026-27	2027-28	2028-29	As needed	Total
Saas Fees	677,490	705,809	705,809	705,809	705,809		3,500,726
Proj Mgt	90,000	78,000	72,000	18,000	0		258,000
Implementation Consulting	327,600	280,800	243,360	60,840	0		912,600
Travel/ Conversion / Hardware Contingency	75,925					684,000	759,925
Total	1,171,015	1,064,609	1,021,169	784,649	705,809	684,000	5,431,251

The table above shows anticipated timings for services including the annual licensing fees (Saas). The implementation of remaining modules is anticipated to be completed by FY2027-28 and as with previous phases, staff anticipate there may be the need to amend plans as implementation begins and staff learn more about the functionality of the remaining modules. It is sensible therefore to carry a contingency that will only be used as needed and directed by project leadership. Staff are in final negotiations with the software vendor, and so these details may change a little as that process is concluded. Staff will present the final details at a future council meeting prior to the expiration of the current agreement on October 31, 2024.

Prepared by: Mark Sewell, Assistant Chief Financial Officer

ATTACHMENTS

1. 8767-19-IT 1st amendment
2. 8767-19-IT 2nd amendment
3. 8767-19-IT 3rd amendment
4. 8767-19-IT - 4th amendment - Signed by Tyler
5. Fifth Amendment - Tyler Contract PPT

FIRST AMENDMENT TO SOFTWARE AS A SERVICE AGREEMENT
(AGREEMENT NO. 8767-19-IT)

This first amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date"), by and between Tyler Technologies, Inc. with offices at One Tyler Drive, Yarmouth, Maine 04096 ("Tyler") and the City of Oxnard, California, with offices at 305 W. 3rd Street, Oxnard, California 93030 ("Client").

WHEREAS, Tyler and Client are parties to an agreement dated October 2, 2019 ("Agreement"); and

WHEREAS, Tyler and Client desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and Client agree as follows:

1. The following Tyler Software as a Service (SaaS) is hereby removed from the Agreement as of November 1, 2020:

   Bid Management

2. As of such date, Client's right to access the above-listed software is terminated, as are Tyler's obligations to maintain, support, host and update such software.

3. The table in Exhibit B Section 1 of the Agreement is hereby modified as follows:

Payment Due Date	SaaS Fees
12/1/2019	$48,916.50 [paid]
9/1/2020	$1,036,156.25
9/1/2021	$1,019,850.75
9/1/2022	$1,019,850.75
9/1/2023	$1,019,850.75

4. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.

5. Except as expressly indicated in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

COUNCIL APPROVED
11/17/2020 K4
DATE

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

CITY OF OXNARD

Carmen Ramirez 11/18/2020

For: Mayor Date

TYLER TECHNOLOGIES, INC.

Chris Webster Date
President, ERP Division

Abigail Diaz Date
Chief Legal Officer, Secretary

ATTEST:

Michelle Ascencion 11/18/2020

City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

11/16/2020

City Attorney (always required) Date

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

CITY OF OXNARD		TYLER TECHNOLOGIES, INC.	
______________________	__________	______________________	11/11/2020
Mayor	Date	Chris Webster President, ERP Division	Date
		______________________	11/11/2020
		Abigail Diaz Chief Legal Officer, Secretary	Date

ATTEST:

______________________ __________

City Clerk (only if Mayor signs) Date

APPROVED AS TO FORM:

______________________ __________

City Attorney (always required) Date

SECOND AMENDMENT TO SOFTWARE AS A SERVICE AGREEMENT
(AGREEMENT NO. 8767-19-IT)

This second amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date"), by and between Tyler Technologies, Inc. with offices at One Tyler Drive, Yarmouth, Maine 04096 ("Tyler") and the City of Oxnard, California, with offices at 305 W. 3rd Street, Oxnard, California 93030 ("Client").

WHEREAS, Tyler and Client are parties to an agreement dated October 2, 2019 ("Agreement") and a subsequent amendment to the Agreement dated November 18, 2020 ("First Amendment"); and

WHEREAS, Tyler and Client desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and Client agree as follows:

1. As of the Amendment Effective Date, the Business Process Consulting services set forth below shall no longer include Custom Desktop Procedure Manuals. Accordingly, the fees set forth in Exhibit A of the Agreement are reduced as follows:

	Original Unit Price	Amended Unit Price
Business Process Consulting – Accounts Payable	$17,500	$8,750
Business Process Consulting – Budget	$17,500	$8,750
Business Process Consulting – Contract Management	$10,500	$5,250
Business Process Consulting – Capital Assets	$17,500	$8,750
Business Process Consulting – General Billing	$26,250	$13,125
Business Process Consulting – General Ledger	$17,500	$8,750
Business Process Consulting – Misc. Cash	$10,500	$5,250
Business Process Consulting – Project/Grant Accounting	$26,250	$13,125
Business Process Consulting – Purchasing & Requisitions	$17,500	$8,750
Business Process Consulting – Cash Management	$17,500	$8,750
	Total: $178,500	$89,250

2. Due to the changes made to the Agreement pursuant to this Amendment, the total amended fees above will be invoiced upon Client's acceptance of the Best Practices Recommendations, by module.

3. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.

4. Except as expressly indicated in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

CITY OF OXNARD		TYLER TECHNOLOGIES, INC.	
Alexander Nguyen City Manager	Date 1/25/2021	Chris Webster President, ERP Division	Date
		Abigail Diaz Chief Legal Officer, Secretary	Date

APPROVED AS TO FORM:

City Attorney (always required) Date 1/20/2021

tyler technologies

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

CITY OF OXNARD

1/25/2021

Alexander Nguyen
City Manager

Date

TYLER TECHNOLOGIES, INC.

01/26/2021

Chris Webster
President, ERP Division

Date

01/26/2021

Abigail Diaz
Chief Legal Officer, Secretary

Date

APPROVED AS TO FORM:

1/20/2021

City Attorney (always required)

Date

tyler technologies

THIRD AMENDMENT TO SOFTWARE AS A SERVICE AGREEMENT
(AGREEMENT NO. 8767-19-IT)

This third amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date"), by and between Tyler Technologies, Inc. with offices at One Tyler Drive, Yarmouth, Maine 04096 ("Tyler"), and the City of Oxnard, California, with offices at 305 W. 3rd Street, Oxnard, California 93030 ("Client").

WHEREAS, Tyler and Client are parties to an agreement dated October 2, 2019 ("Agreement") and two subsequent amendments to the Agreement dated November 18, 2020 ("First Amendment") and January 26, 2021 ("Second Amendment"); and

WHEREAS, Tyler and Client desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and Client agree as follows:

1. The Data & Insights Open Data Platform, Support Program–Basic, and Education Program–Standard, (collectively the "Data & Insights solutions") are hereby added to the Agreement as of January 1, 2023, as set forth in the Investment Summary, attached as Exhibit A to this Amendment
    a. Year one of the Software as a Service ("SaaS") subscription term for the Data & Insights solutions shall begin on January 1, 2023 and end on October 31, 2024 ("initial term"). Thereafter, the SaaS subscription term, including any renewals thereto, shall conform to Section F(1) of the Agreement.
    b. With respect to the Data & Insights solutions, SaaS Fees are invoiced on an annual basis, beginning on the initial term.
2. Exhibit A is hereby added to the Agreement and incorporated herein by reference.
3. The Client's use of the Data & Insights solutions is subject to the Terms of Use – Socrata Open Finance, attached as Exhibit A-1 to the Agreement, as further amended in Appendix 1 to this Amendment.
4. Appendix 1 is hereby added to the Agreement and incorporated herein by reference.
5. Support for the Data & Insights solutions is subject to the Data & Insights Support Policy: https://support.socrata.com/hc/en-us/articles/216962648-Support-Policy
6. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement and if the Agreement terminates, so does Client's access to the Data & Insights solutions set forth in Exhibit A.

7. In the event of a conflict between any term or provision in the Amendment and any term or provision in the Agreement, the terms of this Amendment shall govern. The Agreement shall otherwise remain and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

TYLER TECHNOLOGIES, INC.	**CITY OF OXNARD, CALIFORNIA**
By: Hannah May	By: Jennifer Yates
Name: Hannah May	Name: Jennifer Yates
Title: Senior Corporate Attorney	Title: Purchasing Manager
Date: December 16, 2022	Date: 12/21/2022

EXHIBIT A – INVESTMENT SUMMARY

The following Amendment Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Amendment Investment Summary is effective as of the Amendment Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Quoted By:	Brett Nalder
Quote Creation:	12/15/22
Quote Expiration:	4/14/23
Quote Name:	City of Oxnard - ODP
Contract Start Date	1/1/23
Contract End Date	10/31/24

Sales Quotation For:
City of Oxnard
305 W. 3rd Street
Oxnard CA 93030-5730

Services:	N/A
Tyler Entity / Tax ID:	Tyler Technologies, Inc. / 75-2303920
Payment Terms:	Net 45
Frequency:	Annual

	Year 1	Year 2
	1/1/23 - 12/31/23	1/1/24 - 10/31/24
Recurring Costs	$ 24,000	$ 20,000
One-Time Cost	$ 0	$0
Total	$ 24,000	$ 20,000

Total Contract Value: $ 44,000

Tyler Software and Related Services - Annual

Description	SKU	Monthly Term	Quantity	Total Price
Data & Insights				
Software				
Open Data Platform (50k - 150k)	SOC-OD-3	22	1	$ 44,000
Support				
Support Program - Basic	SOC-PS-SUP-B	22	1	$ 0
Education				
Education Program - Standard	SOC-PS-EDU-S	22	1	$ 0
TOTAL				$ 44,000

Maintenance / Uplift Schedule

Description	SKU	Start Date	End Date	Year 1	Year 2
Data & Insights					
Software					
Open Data Platform (50k - 150k)	SOC-OD-3	1/1/23	10/31/24	$ 24,000	$ 20,000
Support					
Support Program - Basic	SOC-PS-SUP-B	1/1/23	10/31/24	$ 0	$ 0
Education					
Education Program - Standard	SOC-PS-EDU-S	1/1/23	10/31/24	$ 0	$ 0

Product Descriptions

SOC-OD-3 - Open Data (currently called Publica) Socrata Open Data enables governments to publish data, in a variety of intuitive and interactive forms, for use and reuse by the public. Open Data Includes: Publishing Services: APIs, a web interface, and utilities to publish data, automate the update of published data, and design metadata. Discovery: Catalog and search experience used to find data on the open data site via keyword, category, or other parameters. Includes support for the DCAT and data.JSON standards. Site Analytics: Dashboard providing insight into the usage of data, APIs, and other assets on the open data site. Includes support for Google Analytics integration and data export. Site Administration: Controls to manage user access and other basic settings of the open data site. Lenses & Expressions: Tools to create and explore interactive data visualizations, such as charts, Socrata Data Lens, and maps. Includes Socrata Data Player, an embed frame for including most Socrata visualizations on third-party sites. Federation Services: Service enabling cross-site sharing of open data site assets with other open data sites (e.g. nearby cities). Socrata Open Data API: Programmatic interface and supporting documentation for all datasets published on the open data site. Open Data Network: Connection to community of data publishers and consumers to enrich aspects of the data consumption experience. Includes federation of public data to www.opendatanetwork.com Unlimited consumption via mobile, desktop web, API Unlimited users

SOC-PS-SUP-B - Support Program - Basic

SOC-PS-EDU-S - Education Program - Standard: Unlimited attendance and access to virtual instructor led interactive online learning sessions and OnDemand education content.

APPENDIX 1

The Terms of Use – Socrata Open Finance, Exhibit A-1 of the Agreement, is supplemented as follows:

1. The following definitions are hereby added to Exhibit A-1:

- **"Active Account"** means an account where the User was invited to the site, accepted the invitation, and where the account has not been deactivated.
- **"Guest User"** means a user that is outside of the organization invited by a User to collaborate on the Client's site.
- "**Site"** means single domain or instance of the Open Data platform, Socrata Connected Government Cloud (also known as the Enterprise Data Platform) Site and the number of Sites is defined in the Investment Summary.
- **"User"** or "**Monthly Active User**" (used interchangeably) means any Active Account added to the Client's Site that is not a Guest User.

2. Section 1(c), Restrictions, is hereby supplemented to read as follows:

   Client acknowledges and understands that the SaaS Services are not designed to serve as the system of record and shall not be used in a manner where the interruption of the SaaS Services could cause personal injury (including death) or property damage. The SaaS Services are not designed to process or store data protected under the Family Education Rights and Privacy Act ("FERPA"), data from Criminal Justice Information Services ("CJIS"), or other sensitive data, and by using the SaaS Services, Client acknowledges and agrees that Client is using the SaaS Services at Client's own risk and that Client is solely responsible for use of data with the SaaS Services in any manner that is contrary to the uses for which the SaaS Services are designed and offered for use in this Agreement. If Client intends to use the SaaS Services to store or transmit Protected Health Information ("PHI"), then the Client shall notify Tyler and the parties will enter into a mutually agreeable Business Associate Agreement.

3. Section 1, Use, is hereby supplemented to read as follows:

   n. Tyler reserves the right to develop derivative data assets based on Client Data Client makes publicly available. Tyler may use, disclose, sell, and transfer the derivative data assets for any lawful purpose, including but not limited to: aggregating and summarizing data; normalizing, standardizing and concatenating data to create new regional or national data assets; and developing key performance indicators and benchmarks.

   o. Tyler may develop derivative data assets and insights based on aggregated, anonymized views of Client's non-public data for the purposes of improvement and enhancement of the SaaS Services, aggregated statistical analysis, technical support, and other internal business purposes.

   p. Tyler may access Client's non-public data for the purposes of providing maintenance and support.

4. Section 2(a), Third-Party Platform Service, is hereby supplemented to read as follows:

   Client will have access to the following Third-party Services for use within the software, however, the availability of any of these services is subject to change:

   - Getty Images: Within the platform's perspective story tool, Clients have access to a library of images available for use in their story pages, terms and conditions located at http://www.gettyimages.com/connectterms.
   - Mapbox: Within the platform's visualization suite, the current mapping visualizations are powered by Mapbox, terms and conditions located at https://www.mapbox.com/legal/tos.
   - Mapquest: Geocoding provider that matches user-provided addresses with geographic coordinates for display on map visualizations terms and conditions located at http://hello.mapquest.com/terms-of-use/.

FOURTH AMENDMENT TO SOFTWARE AS A SERVICE AGREEMENT
(AGREEMENT NO. 8767-19-IT)

This fourth amendment ("Amendment") is effective as of the date of signature of the last party to sign as indicated below ("Amendment Effective Date"), by and between Tyler Technologies, Inc. with offices at One Tyler Drive, Yarmouth, Maine 04096 ("Tyler") and the City of Oxnard, California, with offices at 305 W. 3rd Street, Oxnard, California 93030 ("Client").

WHEREAS, Tyler and Client are parties to an agreement dated October 2, 2019 ("Agreement") and three subsequent amendments to the Agreement dated November 18, 2020 ("First Amendment"), January 26, 2021 ("Second Amendment"), and December 21, 2022 ("Third Amendment"); and

WHEREAS, Tyler and Client desire to amend the terms of the Agreement as provided herein.

NOW THEREFORE, in consideration of the mutual promises hereinafter contained, Tyler and Client agree as follows:

1. As of 6/1/22, the following Tyler Software and SaaS Services are removed from the Agreement:
    - Employee Expense Reimbursement
    - BMI Asset Track
    - BMI CollectIt
    - Inventory
    - CAFR Statement Builder
    - ExecuTime Adv Scheduling
    - ExecuTime Adv Scheduling Mobile Access
    - ExecuTime Time & Attendance Mobile Access
    - ExecuTime IVR Interface
    - Socrata Open Finance

   As of such date, Client's right to use or access such Tyler Software and Tyler SaaS Services is terminated, as are Tyler's obligations to host, update, maintain, and support such items.

2. The items in the attached sales quotation, incorporated herein as Exhibit 1, are hereby added to the Agreement. Fees for hourly services will be invoiced as delivered. Dedicated Project Management Services shall be invoiced in conformance to Section 2.7 of Exhibit B of the Agreement. All professional services added pursuant to this Amendment are subject to a fifteen percent (15%) retainage as described in Exhibit B, Section 2.1 of the Agreement. Liability for payment of SaaS Fees commences 6/1/23. The additional dedicated project management services extends service through March, 2026.

3. The table in Exhibit B of the Agreement is revised, in relevant part, as shown below:

Payment Due Date	SaaS Fees
9/1/2022	$741,231.12*, **
9/1/2023	$741,231.11**

COUNCIL APPROVED
7/27/23 L.7
DATE

* Invoice #045-392665 (dated 9/1/22) for $1,019,850.75 will be adjusted accordingly or can be short-paid, at Client election.
** Addition of API ToolKit Bundle, effective 6/1/23.

4. The following unused services are hereby removed from the Agreement:
    a. Functional Acceptance Test (480 hours at $175 per hour, totaling $84,000);
    b. Performance Test (320 hours at $175 per hour, totaling $56,000); and
    c. Reliability Test (720 hours at $175 per hour, totaling$126,000).

5. Section H(24) is removed from the Agreement.

6. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.

7. Except as expressly indicated in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the dates set forth below.

CITY OF OXNARD

7/28/2023

Alexander Nguyen
City Manager
Date

TYLER TECHNOLOGIES, INC.

07/13/23

Chris Webster
President, ERP Division
Date

7/13/23

Robert Kennedy-Jensen
Group General Counsel
Date

APPROVED AS TO FORM:

7/24/2023

City Attorney (always required)
Date

tyler

Exhibit 1
Amendment Investment Summary

The following Investment Summary details the software, products, and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date, despite any expiration date in the Investment Summary that may have lapsed as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement. In the event of conflict between the Agreement and terms in the Comments section of this Investment Summary, the language in the Agreement will prevail.

Sales quotation follows this page.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Quoted By:	Jennifer Wahlbrink
Quote Expiration:	09/29/23
Quote Name:	City of Oxnard-ERP-Munis-API & PM Services
Quote Description:	7-6-23 City of Oxnard, CA - v.7 API Toolkit & PM Services
Saas Term	2.00

Sales Quotation For:

City of Oxnard
c
Oxnard CA 93030-5730
Phone: +1 (805) 385-7430

Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Integrations			
API Toolkit Bundle	1	0	$ 36,737.00
TOTAL		**0**	**$ 36,737.00**

Professional Services

Description	Quantity	Unit Price	Ext Discount	Extended Price	Maintenance
50% of Dedicated Project Manager (Monthly)	15	$ 12,000.00	$ 0.00	$ 180,000.00	$ 0.00
TOTAL				**$ 180,000.00**	**$ 0.00**

Summary	One Time Fees	Recurring Fees
Total Tyler License Fees	$ 0.00	$ 0.00
Total SaaS	$ 0.00	$ 36,737.00
Total Tyler Services	$ 180,000.00	$ 0.00
Total Third-Party Hardware, Software, Services	$ 0.00	$ 0.00
Summary Total	**$ 180,000.00**	**$ 36,737.00**
Contract Total	**$ 253,474.00**	

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

Comments

Client agrees that items in this sales quotation are, upon Client's signature or approval of same, hereby added to the existing agreement ("Agreement") between the parties and subject to its terms. Additionally, payment for said items, as applicable but subject to any listed assumptions herein, shall conform to the following terms:

- License fees for Tyler and third party software are invoiced upon the earlier of (i) deliver of the license key or (ii) when Tyler makes such software available for download by the Client;
- Fees for hardware are invoiced upon delivery;

- Fees for year one of hardware maintenance are invoiced upon delivery of the hardware;
- Annual Maintenance and Support fees, SaaS fees, Hosting fees, and Subscription fees are first payable when Tyler makes the software available for download by the Client (for Maintenance) or on the first day of the month following the date this quotation was signed (for SaaS, Hosting, and Subscription), and any such fees are prorated to align with the applicable term under the Agreement, with renewals invoiced annually thereafter in accord with the Agreement.
- Fees for services included in this sales quotation shall be invoiced as indicated below.
    - Implementation and other professional services fees shall be invoiced as delivered.
    - Fixed-fee Business Process Consulting services shall be invoiced 50% upon delivery of the Best Practice Recommendations, by module, and 50% upon delivery of custom desktop procedures, by module.
    - Fixed-fee conversions are invoiced 50% upon initial delivery of the converted data, by conversion module, and 50% upon Client acceptance to load the converted data into Live/Production environment, by conversion module.
    - Except as otherwise provided, other fixed price services are invoiced upon complete delivery of the service. For the avoidance of doubt, where "Project Planning Services" are provided, payment shall be invoiced upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be invoiced monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
    - If Client has purchased any change management services, those services will be invoiced in accordance with the Agreement.
    - Notwithstanding anything to the contrary stated above, the following payment terms shall apply to services fees specifically for migrations: Tyler will invoice Client 50% of any Migration Fees listed above upon Client approval of the product suite migration schedule. The remaining 50%, by line item, will be billed upon the go-live of the applicable product suite. Tyler will invoice Client for any Project Management Fees listed above upon the go-live of the first product suite. Unless otherwise indicated on this Sales quotation, annual services will be invoiced in advance, for annual terms commencing on the date this sales quotation is signed by the Client. If listed annual service(s) is an addition to the same service presently existing under the Agreement, the first term of the added annual service will be prorated to expire coterminous with the existing annual term for the service, with renewals to occur as indicated in the Agreement.
- Expenses associated with onsite services are invoiced as incurred.

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the scope, level of engagement, and timeline as defined in the Statement of Work (SOW) for your project. The actual amount of services required may vary, based on these factors.

Tyler's pricing is based on the scope of proposed products and services contracted from Tyler. Should portions of the scope of products or services be altered by the Client, Tyler reserves the right to adjust prices for the remaining scope accordingly.

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. Installations are completed remotely but can be done onsite upon request at an additional cost.

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.

The Implementation Hours included in this quote assume a work split effort of 70% Client and 30% Tyler.

Implementation Hours are scheduled and delivered in four (4) or eight (8) hour increments.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

Each API Toolkit or Connector comes with 8 free hours of API Development Consulting hours. Each API Bundle comes with 16 free API Development Consulting hours. Additional hours can be purchased beyond this standard offering.

Fifth Amendment to Software as a Service Agreement A-8767 with Tyler Technologies, Inc.

Finance and Governance Committee

July 23, 2024
Mark D. Sewell,
Assistant Chief Financial Officer / Assistant City Treasurer

CITY OF OXNARD CALIFORNIA

RECOMMENDATION

That the Finance and Governance Committee Recommend that:

City Council approve and authorize the City Manager to execute a Fifth Amendment with Tyler Technologies, Inc. for an Enterprise Resource Planning (ERP) Software as a Service (SaaS) Agreement for a First Renewal for a Five-Year Term for an Amount Not to Exceed $5,450,000 for a New Ten-Year Contract Total of $11,200,000.

BACKGROUND

2016 - City issues RFP for new ERP software

2019 - City Council award a five year agreement with Tyler Technologies, Inc. for ERP, including project management, implementation support, business process engineering and annual licensing fees for a total of $9,117,985. Implementation begins.

2021 - Executime (Electronic Employee Time Entry) Launched.

2022 - Core Financials Launched.

2024 – Implementation continues:

Human Capital Management, Enterprise Planning and Licensing, Enterprise Asset Management and Utility Billing Phases

First Five Year Financials:

$5.7 million anticipated to be spent of the $9.1 million by October 31, 2024.

FOUR PREVIOUS AMENDMENTS

ERP projects are extremely complex and learnings incorporated into planning and execution led to amendments:

Prior Amendments

1. Bid Management module included in initial contract removed after initial evaluation
2. Business Process Consulting removed from scope.
3. Addition of Data and Insights platform
4. Reduction in scope of some SaaS modules, Testing and restructuring of SaaS fees saving the city $606,502.

AMENDMENT 5 – Extending the Term of the Agreement.

Amendment 5 extends the agreement for an additional five year term.

Estimated Contract Allocation	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	As Needed	Total
SaaS Fees $	677,490	705,809	705,809	705,809	705,809		**3,500,726**
Project Mgt $	90,000	78,000	72,000	18,000	0		**258,000**
Implementation Consulting $	327,600	280,800	243,360	60,840	0		**912,600**
Travel / Hardware / Contingency $	75,925	As Needed	As Needed	As Needed	As Needed	684,000	**759,925**
Total $	**1,171,015**	**1,064,609**	**1,021,169**	**784,649**	**705,809**	**684,000**	**5,431,251**

- Implementation continues for a number of modules.
- Requires Project Management and Implementation Consulting.
- Approx: 10% Contingency ($500k) included for scope / functionality / conversion costs as needed and approved by City project leadership.

Staff will return to Council in the spring with the Annual ERP update.

ANY QUESTIONS?