



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

**File #:** 23-1214

**Meeting Date:** 6/6/2023

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**TITLE:**

**SERVICE AGREEMENT AMENDMENT WITH TYLER TECHNOLOGIES TO MODIFY THE AGREEMENT FROM A NAMED USER LICENSE TO A CITY-WIDE SITE LICENSE FOR THE CITY'S LAND MANAGEMENT SYSTEM**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES  
DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES**

**CONTACT INFORMATION: JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES, 714-754-5270**

**RECOMMENDATION:**

Staff recommends the City Council:

Authorize the City Manager and City Clerk to execute Amendment No. 3 with Tyler Technologies to modify the agreement to provide for a citywide site license, increasing the total compensation by \$150,000 for a not-to-exceed amount of \$1,210,856, in substantially the form as attached and in such final form as approved by the City Attorney.

**BACKGROUND:**

On October 1, 2019, the City Council approved \$1,974,693 for the City's comprehensive LMS update, including approving a contract with Tyler Technologies for the new land management software and the associated services for a not-to-exceed amount of \$901,606. The staff report is provided at the following link:

<http://ftp.costamesaca.gov/costamesaca/council/agenda/2019/2019-10-01/NB-2.pdf>

On April 19, 2022, the City Council approved an additional \$159,250, for a not-to-exceed amount of \$1,060,856, to increase the implementation services from Tyler Technologies to further develop and complete certain components of the land management system. The staff report is provided at the following link:

<https://costamesa.legistar.com/View.ashx?M=F&ID=10769393&GUID=EA223007-8F20-44C8-B63F-1E9623E9B409>

This request is to modify the provisions of the agreement that relate to access to the software. The original service agreement included an assumption of 70 named users that would be licensed to use the system. The proposed amendment would secure a citywide site license which would allow for an

unlimited number of City users to access and use the software.

### **ANALYSIS:**

The City of Costa Mesa's four-year implementation of a new land management system is almost complete, with a system launch planned for this summer. In 2019, when the original service agreement with Tyler Technologies was prepared, the City had only 70 user licenses for the "Permits Plus" system currently being used. Therefore, the original agreement with Tyler Technologies assumed the number of licenses for the new system would remain the same.

During the last four years of permit system planning and configuration, additional staff have been hired and the full scope and functionality of the system has been developed. As a result, and in order for the system to provide integrated information and access across Departments as originally envisioned, system access for a larger group of City staff is required. The Project Manager, consultants, and subject matter experts from all City departments agree that approximately 150 user licenses would be needed to achieve the City's goals. Since the cost to increase the number of user licenses from 70 to 150 is similar to the cost for the citywide site license, staff is recommending the agreement with Tyler Technologies be amended to reflect the City-wide site license approach as the more fiscally prudent option with the greatest amount of flexibility to meet the current and future needs of the organization. The cost for the proposed amendment is \$150,000, increasing the not-to-exceed amount to \$1,210,856. The draft agreement is provided as Attachment 1.

It should be noted that the City pays annual license maintenance fees for many of its software systems. For the Land Management System, the additional annual license maintenance fees for the site wide license is \$30,000 starting in 2024. Software maintenance costs are budgeted and managed by the Information Technology (IT) Department as part of standard City operations.

### **ALTERNATIVES:**

The City could elect to purchase the number of user licenses a la carte that we now need for the land management system (which is approximately 150 named user licenses). While this option would allow the City to launch the system and function, the cost difference between this approach and a citywide site license is minimal and allows the City to provide greater access to the system throughout the organization. It also provides the flexibility to expand access and use of the system in the future.

### **FISCAL REVIEW:**

Funding for proposed amendment is available in the Information Technology Replacement Fund (ITRF), under the Land Management System (LMS) Project Budget (Project #200086). Ongoing software maintenance costs will be managed by the Information Technology Department as part of the operating budget.

### **LEGAL REVIEW:**

The City Attorney's Office has prepared the subject agreement amendments and reviewed and approved this report as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item is administrative in nature.

**CONCLUSION:**

Staff recommends the City Council to authorize the City Manager and City Clerk to execute Amendment No. 3 with Tyler Technologies to modify the agreement to provide for a City-wide site license, increasing the total compensation by \$150,000 for a not-to-exceed amount of \$1,210,856.