



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-654

Meeting Date: 4/19/2022

TITLE:

SERVICE AGREEMENT AMENDMENTS WITH TYLER TECHNOLOGIES AND PARK CONSULTING PERTAINING TO IMPLEMENTATION OF THE CITY'S LAND MANAGEMENT SYSTEM (LMS) UPDATE

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

PRESENTED BY: DANIEL INLOES, ACTING PRINCIPAL PLANNER / ECONOMIC DEVELOPMENT ADMINISTRATOR

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RECOMMENDATION:

Staff recommends the City Council:

1. Authorize the City Manager and City Clerk to execute Amendment No. 2 with Tyler Technologies, increasing the total compensation to a not-to-exceed amount of \$1,060,856, in substantially the form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager and City Clerk to execute Amendment No. 3 with Park Consulting Group, increasing the total compensation to a not-to-exceed amount of \$393,250.
3. Authorize the City Manager to approve future amendments to the agreement with Park Consulting Group in an amount not-to-exceed \$100,000.

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 Energov software and the associated implementation services. The link to the staff report is provided here: <http://ftp.costamesaca.gov/costamesaca/council/agenda/2019/2019-10-01/NB-2.pdf>. The new LMS software will replace "Permits+", which was originally acquired in 1996 and is antiquated, inefficient, and no longer supported by the vendor.

The implementation of the LMS system is a multi-year, multi-departmental effort and will take place in five stages. The City and Tyler Technologies have completed Stages 1 and 2 ("Initiate and Plan" and "Assess and Define"), and are currently advancing through Stage 3 ("Build and Validate"). On its current trajectory, the LMS will "go live" in mid-2023. Refer to Graphic 1 for a summary of the

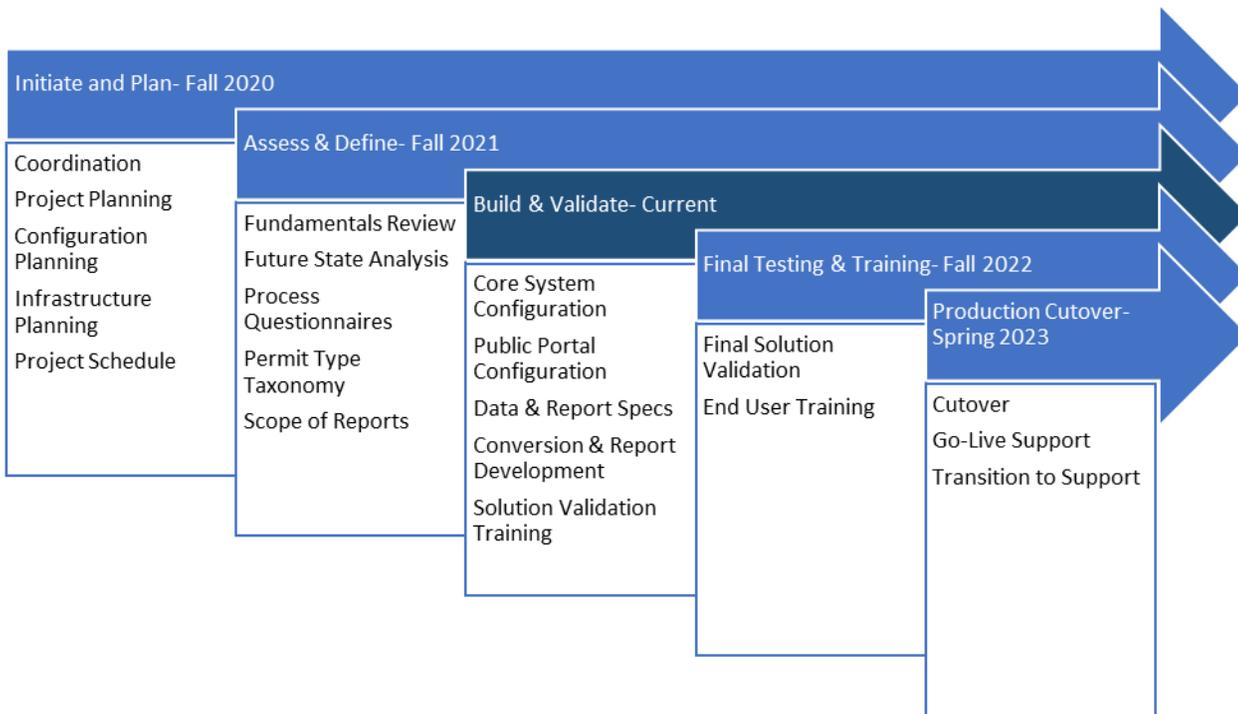
implementation stages.

While each stage has been the culmination of a substantial amount of work and input from multiple departments, the continual use of in-house staff to build and configure the required workflows, reports, and automations on the agreed upon schedule is not feasible given staffing vacancies and department workload. Therefore, staff is seeking to reallocate specific work items from in-house staff to Tyler Technologies and Park Consulting in order to expedite this important launch and remain on schedule.

Upon completion, the new LMS will provide improved customer service, staff efficiency, and transparency including:

- An integrated City-wide land information system which will serve all departments that process applications, permits, licenses, and citations;
- Data conversion so that all records from multiple databases, from 1998 to the present, will be consolidated and stored in the new system;
- A one-stop shop central data location to store and retrieve all property information in the City, both public and private;
- A spatially-based database, which allows for permits, licenses, etc. to be geocoded and integrated with the City's GIS system;
- A new online permit application portal allowing customers to search the database and track their project status;
- A paperless process with online submittal and electronic plan review, which will be more environmentally-friendly, and time and resource-efficient; and
- Field staff applications that allow for information to be viewed and added in real time, while staff is in the field.

Graphic 1 - General Implementation Summary



ANALYSIS:

Amendment for Tyler Technologies

The original agreement with Tyler Technologies for the implementation of a new LMS included software, technical services, and administrative expenses totaled \$901,606. The City has already paid the full cost of the software in the amount of \$387,306 and the remaining funds of \$514,300 were allocated to fund a shared-service implementation model based on a time and materials agreement. The City has paid Tyler Technologies for the completion of Stages 1, 2 and part of 3. The proposed amendment of \$159,250 is required to fund the remaining implementation services and project management costs necessary to complete the final stages of the implementation. Staff also is retaining the \$100,000 contingency fund approved in 2019 by City Council to address any future services or software modules needed from Tyler Technologies for implementation.

Amendment for Park Consulting

The current agreement with Park Consulting totals \$99,500 and included limited technical services intended to offset in-house staff time commitments to LMS. A \$293,750 contract amendment is requested to expand Park Consulting's scope to include completion of work for independent technical processes that help process, issue, automate and report the licenses, applications, permits, plan checks, requests, and citations the system will process citywide. This work would have otherwise been completed by in-house City staff in addition to their existing work duties. Additionally, staff seeks to allow for future amendments not to exceed \$100,000 to be approved by the City Manager. These funds would be to cover any additional processes, reports, or automations that are needed to be built by Park Consulting.

ALTERNATIVES:

The City Council could decide not to approve one or both of the proposed contract amendments. However, staff does not recommend this course of action. Such actions would result in the continuation of the current shared service implementation model whereby in-house staff (approximately 40 existing personnel) will be responsible for completing LMS work tasks concurrently with existing workloads. This model will result in significant delays in the LMS launch and additional contract costs with Tyler Technologies due to project delays.

FISCAL REVIEW:

Funding for the above-mentioned agreements and any future amendments are available in the Information Technology Replacement Fund (ITRF), under the FY2021-22 Land Management System (LMS) Project Budget (Project #20086).

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:

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