



MEMO TO: City Council

FROM: John Marchione, Mayor

DATE: June 21, 2011

SUBJECT: **APPROVAL OF AMENDMENT NO. 2 TO CONTRACT NO. 6013, SYSTEM SOFTWARE AGREEMENT BETWEEN THE CITY OF REDMOND AND TYLER TECHNOLOGIES, INC.**

**I. RECOMMENDED ACTION:**

Approve Amendment No. 2 to Contract No. 6013, to increase the full access user licenses by 100.

**II. DEPARTMENT CONTACTS:**

Michael E. Bailey, Finance and Information Services Director	425-556-2160
Sheila Colyer, Accounting Manager	425-556-2186
Connie Allen, Purchasing Manager	425-556-2157

**III. DESCRIPTION:**

The City of Redmond contracted with Tyler Technologies in July 2009 for the purchase and implementation of Microsoft Dynamics AX public sector software. As a result of progress toward the implementation of the software, the City of Redmond recently determined that it is advisable to increase the full access user licensing available by 100. This will enable the city to realize the greatest value from the significant investment of effort to implement this software. Approval of this AM and attached contract addendum will authorize the Mayor to sign the contract addendum in this regard.

This matter was brought before the Public Administration and Finance Committee on June 14, 2011.

**IV. IMPACT:**

Service Impact: Purchase of the additional licensing will allow more city staff to obtain the highest value from the investments. The alternative web-based client portal provides good value, but is not the premier experience that these additional full licenses will provide.

Fiscal Impact: A net increase of \$71,400 (\$29,750 licensing fee + an increase in maintenance fees of \$41,650) will result with approval of this contract addendum, reflecting a vendor discount of 90% on the list price for the purchase of additional licenses.

**V. ALTERNATIVES:**

The City Council could choose not to approve the attached contract addendum. The City would not secure additional licenses but would utilize the web-based portal in its place.

**VI. TIME CONSTRAINTS:**

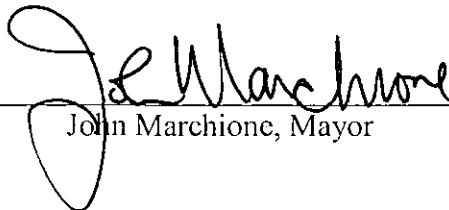
The Dynamics AX system software is anticipated to go-live on July 5, 2011. In order to be fully functional with the system, the additional licenses should be purchased before that date.

**VII. LIST OF ATTACHMENTS:**

A. Contract Amendment No. 2

  
\_\_\_\_\_  
Mike E. Bailey, Finance Director

6/9/11  
Date

Approved for Council Agenda   
\_\_\_\_\_  
John Marchione, Mayor

6/13/11  
Date

**ADDENDUM TO SYSTEM SOFTWARE AGREEMENT**

ORIGINAL AGREEMENT DATE: July 17, 2009

PARTIES: Tyler Technologies, Inc. ("Tyler"), and  
City of Redmond ("Client")

WHEREAS, Tyler and Client entered into a System Software Agreement on the date set forth above (the "Agreement"); and

WHEREAS, Tyler and Client desire to modify the Agreement as set forth in this Addendum.

THEREFORE, Tyler and Client agree as follows:

1. Client agrees to purchase and receive and Tyler agrees to sell and deliver the following Additional Full Access Concurrent Users: 100 additional BRL Advanced Management Users (76/160), at a total license cost of \$29,750. Client will remit 100% of such license cost upon execution of this Addendum.
2. As a result of the additional concurrent users added to the Agreement pursuant to Article one *supra*, Year One Support and Maintenance Fees payable pursuant to Section D (General Terms and Conditions), Article 23 (Payment Terms), sub-article "d" of the Agreement are increased from \$117,905 to \$159,555.
3. Except as otherwise expressly set forth in this Addendum, the terms and provisions of the Agreement and its exhibits remain unchanged.

EFFECTIVE as of the last date set forth below.

Tyler Technologies, Inc.  
ERP and School Division

City of Redmond

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_