

To: The Honorable Mayor and City Council

From: Terry Henley, Assistant Budget Director



Date: January 26, 2016

RE: A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE INTERIM CITY MANAGER AND INTERIM CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND TYLER TECHNOLOGIES, INC., TO INCLUDE A DIGITAL PAYROLL AND BIOMETRIC TIME ATTENDANCE SYSTEM, AT A COST NOT TO EXCEED SIXTY-NINE THOUSAND DOLLARS (\$69,000.00) FOR THE CURRENT FISCAL YEAR; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES

RECOMMENDATION

Staff is recommending the Mayor and Council authorize the Interim City Manager to amend the current maintenance agreement with Tyler Technologies, Inc. for the City's EDEN software system in the amount not to exceed \$69,000 for the current fiscal year (the second year cost is \$115,000). The amended agreement will include goods and services for a digital payroll and biometric, time attendance system.

BACKGROUND

The City currently utilizes a manual time attendance/payroll system that includes:

1. The physical completion of a paper time sheet, where attendance and time data is recorded from individual memory.
2. Data is then manually re-entered into the Eden software database by payroll reviewers

Implementing a biometric (finger print) time attendance system will enhance accountability, improve reporting accuracy, and directly save the city more than \$323,000 annually. Considering a first year cost of \$69,000 and a July 1, 2016 launch date, the program would produce more than \$109k in savings during the fourth quarter of this fiscal year.

Additionally, the system produces an indirect saving in staff labor hours (almost 4,000 hours) and advances the city's paperless environmental initiatives.

Attachments

Resolution

Return on Investment Analysis Biometric Time and Paperless Payroll System

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, AUTHORIZING THE INTERIM CITY MANAGER AND INTERIM CITY ATTORNEY TO NEGOTIATE AND EXECUTE AN AMENDMENT TO THE AGREEMENT BETWEEN THE CITY OF NORTH MIAMI AND TYLER TECHNOLOGIES, INC., TO INCLUDE A DIGITAL PAYROLL AND BIOMETRIC TIME ATTENDANCE SYSTEM, AT A COST NOT TO EXCEED SIXTY-NINE THOUSAND DOLLARS (\$69,000.00) FOR THE CURRENT FISCAL YEAR; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, on September 29, 2006, the City of North Miami (“City”) entered into an agreement with Tyler Technologies, Inc. (“Tyler”), to provide the City with the Enterprise Wide Software Application System, including the City’s Enterprise Resource Planning Software System (generally referred to as “EDEN”), software licenses, software products, warranties, user manuals, maintenance, installation and training (“Agreement”); and

WHEREAS, the City desires to amend the Agreement to include the implementation of a digital payroll and biometric time attendance system (“Additional Services”) to eliminate the current manual time-attendance and payroll system; and

WHEREAS, the Additional Services can be obtained by amending the Agreement at a cost not to exceed Sixty-Nine Thousand Dollars (\$69,000.00) for the current fiscal year; and

WHEREAS, the attainment of Additional Services will improve accountability, accuracy and record-keeping efficiencies, saving the City an estimated Three Hundred Twenty-Three Thousand Dollars (\$323,000.00) annually; and

WHEREAS, the City Administration respectfully requests that the Mayor and City Council authorize an amendment to the Agreement to attain Additional Services for the aforementioned reasons, benefiting the City.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authority of Interim City Manager and Interim City Attorney. The Mayor and City Council of the City of North Miami, Florida, hereby authorize the Interim City

Manager and Interim City Attorney to negotiate and execute an amendment to the agreement between the City of North Miami and Tyler Technologies, Inc., to include a digital payroll and biometric time attendance system, at a cost not to exceed Sixty-Nine Thousand Dollars (\$69,000.00) for the current fiscal year.

Section 2. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this ____ day of _____, 2016.

DR. SMITH JOSEPH
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

ROLAND C. GALDOS, ESQ.
INTERIM CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm. D.
Vice Mayor Alix Desulme
Councilman Scott Galvin
Councilwoman Carol Keys, Esq.
Councilman Philippe Bien-Aime

_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)

Return on Investment Analysis Biometric Time and Paperless Payroll System

Improved Reporting Accuracy (Human Error Annual Savings)	\$359,699.99
Average Human error factor	1.00%
<i>The American Payroll Association reports that human error, such as miscalculations range from 1% to 8% of payroll</i>	
Annual Gross Payroll Budget	\$35,969,998.65
Enhanced Accountability (Time - Annual Savings)	\$73,887.92
Minutes lost per day per employee	2
<i>The American Payroll Association estimates that approximately 5 minutes per employee per day is lost due to tardiness, early departures and long breaks.</i>	
Total number of employees	490
Total hours saved per year	3,838
Average employee hourly rate	\$19.25
Paper, Printer, Inc Reduction Estimated Annual Savings	\$4,462.00

Labor for Staff - Payroll Processing Annual Savings	\$84,712.08
Number of Hourly Employees	490
Minutes to process each time sheet	9
<i>The American Payroll Association reports it takes approximately 10 minutes to process each time sheet during payroll (includes audit and data entry of each sheet).</i>	
Number of times Payroll Processed in a Year	52
Total hours saved per year	3822
Avg. hourly pay rate of staff preparing payroll	\$22.16

Financial Summary

Annual Direct Savings (Improved Reporting + Accountability + Paperless)	\$438,049.90
Annual Indirect Savings (Labor Savings)	\$84,712.08
* FY16 ROI *	
Expenditure	\$69,000
Savings (3 months of Direct Annual Savings)	\$109,512
Return on Investment from Direct Savings	\$40,512
* FY17 ROI *	
Expenditure	\$115,000
Savings (12 months of Direct Annual Savings)	\$438,050
Return on Investment from Direct Savings	\$323,050

* ROI calculation based on July 1, 2016 Launch and Payment Option B *

AMENDMENT

This amendment ("Amendment") is made this _____ day of January, 2016 ("Amendment Effective Date") by and between Tyler Technologies, Inc., a Delaware corporation with offices at 840 West Long Lake Road, Troy, MI 48098 ("Tyler") and the City of North Miami, FL, with offices at 776 N.E. 125th Street, North Miami, FL 33161 ("Client").

WHEREAS, Tyler and Client are parties to a software and services agreement dated September 29, 2006 (the "Agreement"); and

WHEREAS, Client desires to add third-party software and related services to the scope of the Agreement;

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

1. Upon payment of the fees set forth in Exhibit 1, Client shall be granted a license to the third-party software itemized therein (the "ExecuTime Software"). Client's license to the ExecuTime Software shall be as set forth in the Agreement and in the ExecuTime End User License Agreement provided at Exhibit 2. In the event of conflict between the Agreement and Exhibit 2, Exhibit 2 shall control.
2. All professional services and maintenance and support services relating to the ExecuTime Software will be provided directly by ExecuTime to Client according to the terms of Exhibit 2 or as otherwise agreed by ExecuTime and Client. ExecuTime hardware identified in Exhibit 1 will be delivered and installed by ExecuTime.
3. Client acknowledges that Tyler is not the manufacturer of any ExecuTime Software or hardware subject to this Amendment. Tyler does not warrant or guarantee the performance of ExecuTime Software or hardware, nor the delivery of any ExecuTime services. Client's rights arising out of or relating to any aspect of ExecuTime's Software, hardware or services, including but not limited to maintenance and support, are as set forth in Exhibits 1 and 2 or as otherwise agreed to by Client and ExecuTime directly. To the extent Client encounters any defect or nonconformance in the ExecuTime Software, that issue must be reported by Client to ExecuTime for so long as Client has a maintenance and support agreement in effect with ExecuTime.
4. Payment for the third-party products and services subject to this agreement shall be made as follows:
 - a. Upon the Amendment Effective Date, Tyler will invoice Client \$69,000, which represents 100% of the ExecuTime Software startup fees (\$29,757), approximately 91% of Year 1 monthly access fees (\$20,917), and 20% of ExecuTime hardware fees (\$18,326).
 - b. On October 1, 2016, Tyler will invoice Client \$81,023.28, which represents the remaining balance of ExecuTime Software Year 1 monthly access fees (\$2,063) and the remaining balance of ExecuTime hardware fees (\$73,304) as well as hardware shipping fees (\$525) and 7% interest fees on the remaining ExecuTime hardware fees (\$5,131.28).
 - c. The fees set forth in Exhibit 1 do not include travel, which ExecuTime has separately estimated. Any actual travel expenses will be invoiced to Client directly by ExecuTime.
 - d. On March 1, 2017 and March 1, 2018, and on that anniversary for any renewal(s) thereafter, ExecuTime will invoice Client directly for the monthly fees owed annually in advance, at ExecuTime's then-current rates.
5. This Amendment shall be governed by and construed in accordance with the terms and conditions of the Agreement.
6. All other terms and conditions of the Agreement shall remain in full force and effect.

SIGNATURE BLOCK FOLLOWS

IN WITNESS WHEREOF, the parties hereto, through their duly authorized signatories, have executed this Amendment as of the dates set forth below.

Tyler Technologies, Inc.

City of North Miami, FL

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____