

e. Procurement of an Annual Software Maintenance Agreement – Tyler Technologies, Inc.

TRANSMITTAL MEMORANDUM

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TO:	The Honorable Mayor & City Council	Initials:	
FROM:	Lacey G. Simpson, Acting City Manager	File #:	MGR25-125
DATE:	February 28, 2025	Mtg. #:	03/06/25 CAe
RE:	<b>Authorizing Procurement of Finance Accounting System Annual Software Maintenance Agreement – Tyler Technologies, Inc.</b>		

The motion detailed below was prepared at the request of Finance Director Michelle Johansen, who asked that it be placed before the City Council for consideration at its meeting of March 6, 2025. If adopted, the motion authorizes the procurement of annual software maintenance services with Tyler Technologies Inc. in an amount not to exceed \$91,884.

In adopting the 2025 General Government Operating and Capital Budget, the City Council appropriated funds to support the Finance Department’s Tyler Technologies software maintenance services. The rationale for this procurement is detailed in Finance Director Michelle Johansen’s attached transmittal memorandum and requires no elaboration from the Manager’s office. The purchase is exempt from competitive bidding or quotations pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code (KMC) to avoid incompatibility issues, but the purchase does require City Council approval as it is over \$10,000.

As this purchase is exempt from competitive bidding by the KMC with Council approval, funds for this purchase were appropriated in the 2025 budget, and the annual maintenance agreement is required to continue use of the City’s financial ERP (enterprise resource planning) system, I concur with the Finance Director’s recommendation.

A motion has been prepared for City Council consideration.

**Recommended Motion:**

Pursuant to Subparagraph 6 of Section 3.12.050 (a) of the Ketchikan Municipal Code, I move the City Council approve the procurement of annual software maintenance services for the City’s Financial Accounting System Software with Tyler Technologies, Inc. in an amount not to exceed \$91,884; authorize funding in the amount of \$91,884 from the Finance Department’s 2025 Software Maintenance Services account (Account No. 635.04); and authorize the City Manager to enter into an agreement for such services on behalf of the City Council.

**MEMORANDUM**  
**CITY OF KETCHIKAN, ALASKA**  
**Finance Department**  
*Office of the Finance Director*

*Michelle L. Johansen, Finance Director*  
*Meghan Traudt, Financial Analyst*  
*Phone: (907) 228-5621*  
*Facsimile: (907) 228-5617*

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TO: Delilah A. Walsh, City Manager/KPU General Manager  
Lacey G. Simpson, Acting City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: February 17, 2025

**SUBJECT: Request to Approve the Procurement of an Annual Software Maintenance Agreement from Tyler Technologies, Inc. for the Finance Accounting System Software Agreement Per Section 3.12.050 (a) (6) of the Ketchikan Municipal Code**

As you are aware, the City's financial and accounting system vendor is Tyler Technologies, formerly New World Systems. In order to ensure that the system is properly maintained and updated, the Finance Department must enter into an annual maintenance contract. In order to ensure compatibility of the maintenance services with the systems in place it is necessary to acquire the maintenance services directly from Tyler Technologies, Inc.

The amount of the annual maintenance agreement for 2025 is \$91,883.49, which is a ten percent increase from 2024. At this price, the Ketchikan Municipal Code (KMC) requires that the City Council approve the purchase and staff seek either competitive bids or written quotations unless the City Council approves an exemption. Subparagraph 6 of Section 3.12.050 (a) of the KMC provides an exemption that would be appropriate for this transaction. Subparagraph (6) states the following:

"Supplies, materials, equipment or contractual services which should be purchased from a specific source in order to prevent incompatibility with previously purchased supplies, materials, equipment or contractual services. For purpose of this subparagraph, the term "incompatibility" is defined as:

- (A) the inability to interconnect, combine, interchange, or join; or
- (B) that which causes substantial duplication in maintenance, expertise or training or in the stocking of parts, materials, supplies or replacements.

Any purchase which is to be excluded from competitive bidding by the authority of this subparagraph which exceeds ten thousand dollars must first be approved by the council."

Since acquiring the annual maintenance agreement from Tyler Technologies, Inc. is the only option available to the City that would ensure that the maintenance services provided would be compatible with the existing Tyler Technologies/New World Systems software applications, I recommend seeking approval from the City Council to procure the services per the requirements of the KMC.

Funding in the amount of \$91,884 is available in the Finance Department's 2025 Software Maintenance Services Account No. 635-04. The cost of the annual maintenance will be shared by other city departments through the assessment of interdepartmental charges.

Delilah A. Walsh  
February 17, 2025  
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**Recommended Motion:**

Pursuant to Subparagraph 6 of Section 3.12.050 (a) of the Ketchikan Municipal Code, I move the City Council approve the procurement of the 2025 annual software maintenance agreement for the City's Financial Accounting System Software with Tyler Technologies, Inc; authorize the City Manager to enter into an agreement for annual maintenance services with Tyler Technologies, Inc. for an amount not to exceed \$91,884; and approve funding from the Finance Department's 2025 Software Maintenance Services Account No. 635-04.