![Nevada Irrigation District logo]

Staff Report

TO: Board of Directors

FROM: Greg Jones, Assistant General Manager
Sandra Dunlap, Director of Finance
John Ortiz, Information Technology Administrator

DATE: August 28, 2024

SUBJECT: Tyler MUNIS ERP Project #2295 Relaunch

_____ *ADMINISTRATION*

RECOMMENDATION:
Adopt a resolution approving:

Adopt a resolution awarding a three year contract with Tyler Munis ERP for an amount not to exceed $1,783,433.00, approving a Capital Budget Amendment in Fund 70 in the amount of $393,031, and authorizing the General Manager to execute the necessary documents.

BACKGROUND:

On July 31, 2019, the board approved resolution 2019-25, "ERP & CMMS Project Implementation", assigned project number #2295. This approval authorized $2,748,537 for the design, development, implemention and replacement of both NID's legacy Financial Management System, Pentamation, and its Computerized Maintenance Management System (CMMS), Lucity.

Both legacy software products were identified as largely inefficient, outdated and did not fully support the complex functional, operational and asset management needs of the District. The two-part project was to cross-cut all District operational needs and incorporate elements of District functions in the final software replacement & implementation.

In 2018, the Distict initiated a Request for Proposal from three qualified ERP vendors. In consultation with NID's consultant, Tyler Technologies Munis was selected as the most favorable ERP program due to cost, functionality and product reliability. Concurrently, a steering committee, made up of Department Directors, IT staff and consultants developed functional requirements intended to better manage

District assets. These requirements were used to conduct a cross-industry search of potential CMMS software packages. A short list of vendors were identified and they presented their product through virtual demonstrations to the committee. Based on a review of product details, user interface, functionality, and pricing, the committee selected Sedaru as the preferred product for its CMMS program.

NID staff acquired project management and design services from Panaorama and Zanjero consulting firms to assist with the respective product implementation over a two-year period.

The project was aimed to implement new software and technology across the entire organization with a focus on efficiency and improvement. At the time, Tyler offered its implementation either on-premise or using Software as a Service (SaaS) subscription model. The on-premise over SaaS deployment was chosen to maintain control over the infrastructure and ensure data security. The original scope was ambitious, involving the deployment of 26 Tyler applications to streamline various operational and business processes including finance and human resources.

In addition to the implementation of the extensive ERP applications list, the project was to simultaniously integrate Sedaru's CMMS to enhance asset management capabilities. Assets were to be defined, planned and configured through the CMMS program identifying hierarchy and attributes, operational and maintenance needs, and regulatory reporting requirements.

This comprehensive, coordinated approach aimed to unify systems, improve data accessibility, and boost operational efficiency.   The timeline for the project was to begin in Q3 2019 with a completion date of Q2 2021.

	Phase	2019		2020				2021	
		19-Q3	19-Q4	20-Q1	20-Q2	20-Q3	20-Q4	21-Q1	21-Q2
ERP	Implementation Program Design	▨							
	Finance Configuration	▨	▨						
	Finance Training, Acceptance Testing and Rollout					▨			
	HR/Payroll Configuration			▨					
	HR/Payroll Training, Acceptance Testing and Rollout							▨	
	Utility Billing Configuration					▨			
	Utility Billing Training, Acceptance Testing and Rollout								▨
CMMS	Implementation Program Design	▨							
	Workflow/Content Development (Phase 1/2)	▨	▨						
	Software Configuration		▨	▨	▨	▨			
	Acceptance Testing							▨	
	Training and Rollout								▨

A tremendous amount of time went into the CMMS development and integration. This phase of the project required careful coordination between multiple operational and functional teams. This collaboration involved mapping the data structures and aligning the CMMS with Tyler's financial modules. The CMMS integration consumed a large percentage of the project funding. Unfortunately the Sedaru implementation

was ultimately never implemented due to Sedaru's eventual withdrawl from the CMMS product line.

Total spending to date for the project #2295 is $2,720,725.42. Through this process, NID purchased and currently owns the ERP software licenses, valued at $614,975.00.

The entire FATR# 2295 project encountered difficulties from the beginning and ultimately did not succeed for various reasons.

- Inadequate internal project management coupled with unrealistic deliverables contributed to the project's failure. The scope was overly ambitious, making it unfeasible to complete all the modules within the given timeframe.

- The CMMS (Sedaru) integration with Tyler was hindered by an unrealistic scope, which placed significant strain on the project. This ultimately led to Sedaru announcing that they were unable to complete the task, resulting in the dissolution of their CMMS application line.

- COVID-19 delayed the project for nearly 12 months, making it challenging for the staff to resume work once it was restarted.

- Poor internal communication was a significant issue throughout the project, leading to confusion and misunderstanding among the team.

- Finally, there was stakeholder turnover, which disrupted the project leadership's continuity and decision-making. This led to further miscommunication, priority shifting, and the inability to maintain the project's original objectives.

REVISED APPROACH
To achieve a successful outcome, NID staff have streamlined the Tyler software by focusing solely on essential components and eliminating several unnecessary and costly applications, including: Bid Management, Contract Management, ACFR Statement Builder, Recruiting, Employee Expense Reimbursement, and eProcurement, to name a few. Staff has also carefully analyzed and recommends adopting Tyler's integrated Enterprise Asset Management (EAM) system as the CMMS.

Staff intends to collaborate with two experienced consultants in the development and management of the implementation, offering NID both extensive experience with Tyler and expertise in data governance and conversion.

In addition, Tyler Technologies has discontinued its on-premise offering, which forces NID to transition to its Software as a Service (SaaS) environment.

Transitioning to a SaaS environment offers several benefits to NID:

- **Scalability and Flexibility:** SaaS solutions can quickly scale to accommodate business growth and changing needs, offering flexibility to add or reduce services without significant infrastructure changes.

- **Lower Upfront Costs:** SaaS eliminates the need for costly hardware investments and ongoing maintenance, with predictable subscription-based pricing that can be more manageable for budgeting.

- **Automatic Updates and Maintenance:** SaaS providers handle software updates, security patches, and maintenance, ensuring systems are always up-to-date with the latest features and security enhancements without manual intervention.

- **Accessibility and Collaboration:** With SaaS, users can access the software from any location with an internet connection, enabling easier remote work and collaboration across different teams and geographical locations.

TIMELINE AND COST

Upon Board approval, the implementation will commence in October 2024 with Phase 1 - Financials, and Phase 2 - Human Resources in parallel with a go-live beginning the fiscal year January 2026. Phase 3 - Utility Billing will begin in November 2025, with a go-live in November 2026. Final Phase 4 - Enterprise Asset Management (EAM) will start in January 2026, with full deployment expected by January 2027.

Phase	Discipline	Tyler Software as a Service (SaaS) Modules	Start Date	Go-Live Date
1	Financials	- General Ledger - Accounts Payable - Budgeting - Capital Assets - Cash Management - Inventory - Inventory Mobile - Project and Grant Accounting - Purchasing	Nov. 2024	Jan. 2026
2	Human Resources	- Payroll w/Employee Access - Human Resources & Talent Management		
3	Utility Billing	- Accounts Receivable - Cashiering - General Billing - Utility Billing CIS - Utility Billing Meter Interface	Nov. 2025	Nov. 2026
3	Enterprise Asset Management	- Asset Maintenance & Performance - Enterprise Forms Processing Software (GIS)	Jan. 2026	Jan. 2027
	System Wide Applications	- Content Manager Core includes Onboarding - Enterprise Analytics & Reporting	Nov. 2024	Jan. 2027

The overall Tyler relaunch project will span over three years at $1,783,433.00 as detailed below. Implementation hours included in the total contract assume a work split effort of 70% NID and 30% Tyler.

		Yr. 1 (2024)	Yr. 2 (2025)	Yr. 3 (2026)
Contract Execution	25% Total SaaS fee	$91,482.00		
11/1/2024	FIN + HCM Phase Initiation	$138,249.00		
11/1/2025	FIN + HCM + UB Phase Initiation		$211,704.00	$0.00
1/1/2026	EAM Phase Initiation			$108,825.00
11/1/2026	Full SaaS Fee			$365,928.00
	Implementation Cost	$55,000.00	$163,400.00	$36,800.00
	Data Conversion	$32,300.00	$32,300.00	
	Third Party EAM			$1,445.00
	Consultant (Acct)	$50,000.00	$130,000.00	$130,000.00
	Consultant (IT)	$26,000.00	$105,000.00	$105,000.00
		$393,031.00	$642,404.00	$747,998.00

BUDGETARY IMPACT:

Approval of the proposed amendment would increase the total Internal Services Capital Budget by $393,031 in the first year and to $2,585,709 in total. This project supports the entire District and will be funded by the Internal Services Fund supported by Water, Hydroelectric, and Recreation funds proportionately.

Attachment: (1)
- Draft Resolution - Authorizing an Amendment to the FY2024 CIP Budget in the Amount of $393,031 and Approval of Tyler MUNIS ERP Contract

RESOLUTION NO. 2024-32

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

AUTHORIZING AN AMENDMENT TO THE FY2024 CIP BUDGET IN THE AMOUNT OF $393,031 AND APPROVAL OF TYLER MUNIS ERP CONTRACT

WHEREAS, the Nevada Irrigation District (District) budget for the 2024 fiscal year reflects resources to meet the essential needs of the District and the District's customers; and

WHEREAS, the Board of Directors adopted the 2024 Annual Operating and CIP Budget on November 8, 2023; and

WHEREAS, the District has negotiated a new contract with Tyler Munis ERP with a planned implememtation start date of October 2024; and

WHEREAS, the Tyler project is not currently included in the adopted CIP budget for FY2024; and

WHEREAS, a capital budget amendment in the amount of $393,461 is required; and

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District as follows:

1. Adopt a resolution amending the 2024 Capital Budget increasing Internal Services Fund 70 expenditures on the amount of $393,031
2. Approve a contract in the amount of $1,783,433
3. Authorize General Manager or designee to execute appropriate documents

* * * * *

PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 28th day of August 2024, by the following vote:

> **AYES**: Directors:
> **NOES**: Directors:
> **ABSENT**: Directors:
> **ABSTAIN:** Directors:

Attest:

_____
Secretary to the Board of Directors

_____
President of the Board of Directors