

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Charlie Pierce, Mayor
THRU: John Hedges, Purchasing and Contracting Director
FROM: Brandi Harbaugh, Finance Director
DATE: October 2, 2019
RE: Request for Waiver of Formal Bidding: Phase II-Payroll portion of ERP Software

This memo is to request that waiver of formal bidding procedures, per KPB Code 5.28.300, be considered for the following reasons:

In 1999 the Kenai Peninsula Borough purchased SCI, which through the years, has become the GEMS software (supported by Harris) that is utilized for general ledger, payroll, employee portal, and human resource requirements. The current version requires a third party Unisys software to function. This software is at its end of life and has become unsupported. Therefore, there is a requirement to upgrade the system to the current web-based software version.

Harris has committed to providing "software for life" and has agreed to provide the upgrade with no cost for software licenses, only charging for professional services. Services provided will be business process review, project management, data conversion, implementation, installation, and on-site user assistance. The current annual maintenance fee will remain unchanged.

In March of 2019, the Kenai Peninsula Borough Finance Department completed implementation of Phase I, which was to upgrade the FMS module, the financial portion of the ERP software. At this time, the Kenai Peninsula Borough would like to proceed with Phase 2 of the project, which is an upgrade to HRMS, the payroll and human resources portion of ERP software.

As this is an upgrade of the existing software with the current provider, formal bidding procedures cannot be utilized. Your approval is hereby requested to enter into contract with Harris to implement the Innoprise payroll/human resources system for the total cost of \$131,388. Funding for this project will come from 705.94910.20E16.48311.


Charlie Pierce, Mayor

10-3-2019
Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>705.94910.20E16.48311</u>
Amount	<u>\$131,388.00</u>
By: <u>pp</u>	Date: <u>10/2/19</u>

Kenai Peninsula Borough Payroll/ HR Price Summary

Pricing Expires September 30, 2019

Description	Corresponding Schedule	Cost
Software and Services		
Application License Fees	A	\$ 26,000
Professional Services*	B	\$ 123,060
License Fee Discount		\$ (26,000)
Total Software and Services		<u>\$ 123,060</u>
Travel Estimation	C	\$ 8,328
TOTAL PROJECT COST		<u>\$ 131,388</u>

Annual Maintenance

Year 1	\$ 17,535
Year 2	\$ 18,412
Year 3	\$ 19,332
Year 4	\$ 20,299
Year 5	\$ 21,314

NOTES:

* Travel Cost are intended as estimates. Harris ERP bills actual expenses only.

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