



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Mike Navarre, Mayor *MD*
Craig Chapman, Finance Director *BA per CCC*

FROM: Valentina Sustaita, Purchasing and Contracting Director *V. Sustaita*
Ben Hanson, Information Technology Director *BH*

DATE: August 25, 2016

SUBJECT: Ordinance 2016-*34*, An Ordinance Amending KPB Chapter 5.28,
Procurement and Purchasing, to Allow Acceptance of Electronic Bids and
Proposals (Mayor)

In accordance with KPB 5.28.200 and KPB 5.28.250, the borough Purchasing and Contracting Department currently practices competitive sealed bidding processes. These processes were codified in 1987 and require that all bids and proposals shall be sealed and submitted by mail or in person at the place designated in the corresponding bidding documents.

In an effort to develop a more efficient, modernized and less costly business practice for borough departments and bidders, it is recommended that the borough start accepting electronic bids and proposals through a secure online electronic bidding system.

Borough acceptance of electronic bids and proposals would reduce processing time and workload, reduce errors associated with the preparation of administrative documentation, and allow broader access to bidders and proposers outside of the Borough, thereby promoting competition, effective communication and easier access to bid and proposal submissions.

Bidders would benefit by having more time to prepare their bids and proposals, as documents can be processed and changed by the bidder at any time before the deadline. There will be no need for travel to present bids and bid modifications or to attend bid opening ceremonies in person. This process would eliminate the surprises involved with travel delays, unforeseen circumstances, road or weather conditions, and reduce the cost for mail and courier. Additional benefits to both bidders and the borough would be the elimination of calculation errors, missing signatures on bidding documents, acknowledgments of bid addendums and submission of occasionally required additional documentation and bid bonds.

The Purchasing and Contracting Department in coordination with the Information Technology Department surveyed the e-bidding market and determined that available e-bidding software solutions

provide security and confidentiality which surpass a paper system. Such systems are already in use by a multitude of federal and state agencies throughout the country and within Alaska.

This process change requires modification of the Borough Code of Ordinances Chapter 5.28 to allow for electronic bids submission and acceptance of electronic signatures provided by the bidders.

The Purchasing and Contracting Department will continue to accept sealed bids submitted in paper form in addition to electronic bids and provide public bid openings for the public as required by the KPB 5.28.