

Kenai Peninsula Borough  
Finance

**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** August 22, 2019

**SUBJECT:** Ordinance 2019-19-*09* Appropriating Funds to Upgrade the Payroll and Human Resources Modules in the Borough's Enterprise Resource Planning Software (Mayor)

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 Financial Management Software module, the financial portion of the Enterprise Resource Planning (ERP) software. At this time, the Kenai Peninsula Borough would like to proceed with Phase II of the project, which is an upgrade to the Human Resources Management Software, the payroll and human resources portion of ERP software.

Phase I of the ERP upgrade was funded through the Equipment Replacement Fund (ERF) in FY18. We are also requesting that Phase II be funded through the ERF. The ERF is a self-supporting fund that maintains its purchasing power from reoccurring payments, interest earnings and depreciation expense. In 1999 the ERF funded the original SCI software purchase and implementation, therefore it is appropriate for the subsequent cost of upgrade to also be funded through this tool.

<b>FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED</b>	
Acct. No.	<u>705.27920</u>
Amount:	<u>\$ 200,000.00</u>
By: <u>pp</u>	Date: <u>8/22/19</u>