



## KENAI PENINSULA BOROUGH

144 North Binkley Street • Soldotna, Alaska 99669-7520

Toll-free within the Borough: 1-800-478-4441

PHONE: (907) 262-4441 • FAX: (907) 262-1892

www.borough.kenai.ak.us

**MIKE NAVARRE**  
**BOROUGH MAYOR**

### MEMORANDUM

**TO:** Gary Knopp, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Mayor *JB for MW*

**FROM:** Craig Chapman, Director of Finance *BCH for CCC*

**DATE:** June 1, 2012

**SUBJECT:** Resolution 2012-052 authorizing the mayor to enter into an agreement with MS Govern to purchase a self reporting tax module

Ordinance 2011-19-73 was enacted March 13, 2012, and appropriated sufficient funds to acquire new sales tax software from MS Govern for the cost of \$664,460 with a total project cost of \$800,000. Section 2 of that ordinance authorized the mayor to enter into an agreement with MS Govern to purchase that software module for an amount not to exceed \$664,460.

However, after that ordinance was enacted the administration determined that the proposal was, in part, a time and materials proposal which could result in a cost significantly greater than the proposed amount. For the last several weeks the administration has engaged in negotiations with MS Govern to agree to a fixed cost for this program. The parties negotiated a contract for the amount of \$674,085 which is an increase of \$9,625 over the amount the mayor was authorized to approve in ordinance 2011-19-73. Authorization to award this contract may be by resolution; an ordinance is not required. Therefore this authorization in this resolution would supersede the prior authorization. The dollar amount is based upon the negotiated fixed rate; however it is listed as estimated to recognize that in the course of providing the services the parties may need to include change orders to address unforeseen circumstances.

The assembly is respectfully requested to add this to the June 5, 2012 agenda as a "lay-down" item because the project was originally scheduled to start in mid-May to meet the go-live deadline of January 1, 2013. The administration requests that the assembly approve this resolution authorizing the mayor to execute a contract for the increased estimated amount of \$674,085.