

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: August 23, 2022

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: Bob Grabowski, Fire Chief

Topic: Outdoor Warning Sirens

PURPOSE

To award a bid for the replacement of the Village's three (3) outdoor weather warning sirens.

PROCESS

The Fire Department advertised for bids in late June 2022 for the replacement of the Village's three outdoor warning sirens. There were four (4) bid packets requested by vendors; however, only one (1) packet was returned.

The returned packet was opened on July 6, 2022 at 7:30 a.m., as required. It was submitted by Federal Signal Corporation who subcontracted Braniff Communications to work together on the project. The opened bid from Federal Signal/Braniff Communications was listed at \$83,055.38.

Financial Process

The Finance Department had plans to lease the equipment to better maintain cash flow and avoid large single payments. The Village initially anticipated the sirens to cost somewhere around \$50,000, so the Village budgeted \$10,800 as the annual lease cost for a 5-year lease. Unfortunately, supply chain shortages greatly inflated the actual cost to purchase the warning sirens. The sirens have an actual purchase cost of \$83,055.38, which increases the new lease payments to \$18,070.82 over a 5-year period (*this annual lease payment includes a total finance cost of \$7,302.35 spread over the same 5 years*).

Three quotes for leases were obtained in July. The Fire Department needed to move this purchase to August as it needed further review. That required we offer our lease vendors the opportunity to update their quotes. Two updated their quotes, and one dropped out. In August, our lowest interest cost quote was American Capital at 4.40%.

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FINANCIAL IMPACT

- **Funding Source:** General Fund
- **Previous Budgeted Amount (annual lease payment):** \$10,800.00
- **Amended Budgeted Amount (annual lease payment):** \$18,070.82
- **Required Budget Amendment:** \$7,271.00
- **Cost:** \$83,055.38 over five years

LEGAL REVIEW

Completed

RECOMMENDED BOARD ACTION

Approve a budget amendment in the amount of \$7,271 to the 2022-23 Fire Department Sirens lease line item; and, award a lease to American Capital, which has the lowest interest rate for the emergency warning sirens; and, award a bid to Federal Signal Corporation of University Park, IL for the replacement of three outdoor warning sirens in an amount not to exceed \$83,055.38 over five years; with the first year of a five-year lease cost of \$18,070.82.

ATTACHMENT(S)

- Summary worksheet of lease quotes
- Quote
- Agreement