

VILLAGE OF HOMEWOOD



BOARD AGENDA MEMORANDUM

DATE OF MEETING: June 11, 2024

To: Village President and Board of Trustees

Through: Napoleon Haney, Village Manager

From: John D. Schaefer, Director of Public Works

Topic: Budget Amendment for Emergency Purchase – Public Works Water Pump

PURPOSE

Approve the purchase of one (1) 6-inch water pump from Thompson Pump of Port Orange, FL in the amount of \$32,348. The Utility Department oversees a 6-inch, tow-behind water pump that has been in service for 27 years. Most divisions of Public Works (Water/Utility, Landscape & Maintenance, Streets and Maintenance) periodically uses this essential pump for work purposes. The pump, after a long and productive life, finally failed. Because of the pumps age, replacement parts for the pump have been discontinued, so it is necessary to replace this pump. A budget amendment is required to transfer dollars from the Contingency Funds line item in the Finance Department's budget, to the Water Pump line item in the Public Works Department's budget, to make an emergency purchase of a new 6-inch pump.

PROCESS

A 6-inch water pump is not an ordinary pump. The 6-inch water pump serves many essential purposes within the Village including managing flooding events, maintaining sanitary lift stations, and pumping excess water from Prairie Lakes, where it is currently playing a crucial role. Thanks to established partnerships with various governmental entities, the Public Works Department has obtained a temporary pump to support the drainage efforts at Prairie Lakes until a permanent replacement can be arranged.

The Village utilizes government purchasing cooperatives as much as possible when replacing equipment. There is currently a Sourcewell Purchasing Cooperative contract with Thompson Pump and Thompson Pump has an equivalent replacement pump in stock. Staff evaluated comparable pump models with two other local vendors, but neither had a State purchase contract and the costs were \$10,000 to \$20,000 higher than Thompson Pump.

The Village's Contingency Fund policy was approved by the Village Board in April 2022. The policy was created to have funds available for expenses incurred that could not have been anticipated during the time of budget discussions and budget approval. The Village attempts to budget a contingency fund each year in the Finance Department budget equal to 1% of total General Fund expenses (\$240,000 in Fiscal Year 2024-2025).

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A list of expenses that are appropriate for use of this contingency fund are:

- Large Equipment failure
- Unplanned legal expenses
- Overtime costs due to social emergencies e.g. community disruption
- Spikes in fuel and energy costs
- Unexpected recruitment costs due to unforeseen position openings
- Information Technology Service overruns
- Risk Management (IRMA) Insurance overruns

OUTCOME

Replacing the 6-inch pump will provide Public Works with a critical piece of equipment for their operations.

FINANCIAL IMPACT

- **Funding Source:** General Fund Contingency/Emergency Funds \$240,000
- **Budgeted Amount:** \$0
- **Budget Amendment Amount:** \$32,348

LEGAL REVIEW

Not Required

RECOMMENDED BOARD ACTION

Approve a budget amendment transfer of \$32,348 from the Contingency Fund line item to the Public Works Water Pump line item; waive the competitive bidding process due to a purchase through a joint governmental purchasing program; and, authorize the purchase of a 6" water pump through the Sourcewell Cooperative Purchasing Contract from Thompson Pump of Port Orange, FL in the amount of \$32,348.

ATTACHMENT(S)

- Contingency Fund Policy
- Equipment Evaluation Forms
- Thompson Pump Quote
- Sourcewell Contract

