

TO: Mayor Robert E. Simison
Members of the City Council

FROM: Dean Stacey
Engineering Project Manager

DATE: 5/5/2022

**SUBJECT: BUDGET AMENDMENT FOR FY 2022 IN THE AMOUNT OF \$393,317
FOR WELL 26 FILTER EQUIPMENT CONTRACT AWARD**

REQUESTED COUNCIL DATE: May 24, 2022

I. RECOMMENDED ACTION

A. Move to:

1. Approve the Well 26 Filter Equipment Budget Amendment for \$393,317
2. Authorize the Mayor to sign the agreement

II. DEPARTMENT CONTACT PERSONS

Dean Stacey, Engineering Project Manager	208-489-0386
Kyle Radek, Assistant City Engineer	208-489-0343
Warren Stewart, City Engineer	208-489-0350
Laurelei McVey, Director of Public Works	208-985-1259

III. DESCRIPTION

A. Background

Filter equipment procurement is the first construction phase of the Well 26 Water Treatment project. The project is intended to improve the quality of drinking water by removing iron and manganese. The well is located on Locust Grove Rd just south of Chinden Blvd.

B. Reason for the Amendment

Proposals to provide the water filtration tank and associated equipment were opened on April 8, 2022. The winning proposal exceeded the available balance of FY 2022 funds for this project. To allow the City to purchase the equipment, approval of additional funds is necessary. The primary reasons for this shortfall are related to current material, labor, and transportation prices.

IV. **IMPACT**

A. Strategic Impact:

This project meets our mission requirements to identify and prioritize work to anticipate, plan, and provide public services and facilities that support the needs of our growing community and to ensure modern reliable facilities while maintaining financial stewardship.

B. Fiscal Impact:

Current Funding Status	Accounting	Comments
FY22 Original Project Funding	\$ 930,000	
FY22 Contracts	\$ (319,751)	Task Order for Design
Available Remaining Funding Balance	\$ 610,249	

Additional Funding Needed	Cost	Comments
Pending Filter Equipment Proposal	\$ 953,566	
5% Contingency	\$ 50,000	
TOTAL	1,003,566	
Available Funding Balance	\$ 610,249	
Total Shortfall	\$ 393,317	Proposed FY22 Budget Amendment Value

V. **ALTERNATIVES**

The City could choose not to approve the budget amendment and delay award of an equipment contract to the next fiscal year. However, it is unlikely that a contractor would guarantee bid prices for 5 months, so the project would need to be bid again and prices would most likely go up.

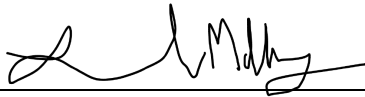
VI. **TIME CONSTRAINTS**

This project is currently planned to award the equipment contract in May 2022 so the design of the new facility can continue. This would allow the construction project for the facility to be bid late 2022 and be constructed in 2023.

VII. **LIST OF ATTACHMENTS**

Budget Amendment Form

Approved for Council Agenda: _____

A handwritten signature in black ink, appearing to be "J. M. [unclear]", written over a horizontal line.

5/10/22

City of Meridian FY2022 Budget Amendment Form

Personnel Costs

Full Time Equivalent (FTE):

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490	41200	11084	Wages	
60	3490	41206	11084	PT/Seasonal Wages	
60	3490	41210	11084	Overtime	
60	3490	41304	11084	Uniform Allowance	
60	3490	42021	11084	FICA	\$ -
60	3490	42022	11084	PERSI	\$ -
60	3490	42023	11084	Worker's Comp	\$ -
60	3490	42025	11084	Employee Insurance	\$ -
Total Personnel Costs					\$ -



Please only complete the fields
highlighted in Orange.

Amendment Details

Title: **Well 26 Water Treatment**
 Department Name: Public Works
 Presenting Department Name: Public Works
 Department #: 3490
 Primary Funding Source: 60
 CIP#:
 Project #: 11084

Is this for an Emergency? ☐ Yes ☒ No
 New Level of Service? ☐ Yes ☒ No

Clerks Office Stamp

Date of Council Approval

Operating Expenditures

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	One-Time	On-Going	Total
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
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60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
60	3490		11084				\$ -
Total Operating Expenditures					\$ -	\$ -	\$ -

Capital Outlay

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490	96157	11084	Well 26	\$ 393,317
60	3490		11084		
60	3490		11084		
60	3490		11084		
60	3490		11084		
60	3490		11084		
Total Capital Outlay					\$ 393,317

Revenue/Donations

Fund#	Dept.#	G/L#	Proj.#	G/L# Description	Total
60	3490		11084		
60	3490		11084		
60	3490		11084		
Total Revenue/Donations					\$ -

Acknowledgement

Date

5/10/22

Department Director

REVIEWED
By Todd Lavoie at 5:13 pm, May 11, 2022

Chief Financial Officer

Approved Jessica Perreault 1:07 pm 5/13/22

Council Liaison

5-13-22

Mayor

Total Amendment Request \$ **393,317**

BP 5/11/22

Total Amendment Cost - Lifetime

City of Meridian FY2022 Budget Amendment Form

	Prior Year(s) Funding	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Department Name: <u>Public Works</u> Title: <u>Well 26 Water Treatment</u>
Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	Instructions for Submitting Budget Amendments: ➤ Department will send Amendment with Directors signature to Finance (Budget Analyst) for review ➤ Finance will send Amendment to Council Liaison for signature ➤ Council Liaison will send signed Amendment to Mayor ➤ Mayor will send signed Amendment to Finance (Budget Analyst)
Operating		\$ -	\$ -	\$ -	\$ -	\$ -	
Capital	\$ 930,000	\$ 393,317					
Total	\$ 930,000	\$ 393,317	\$ -	\$ -	\$ -	\$ -	
Total Estimated Project Cost: \$ 1,323,317							

Evaluation Questions

Please answer all Evaluation Questions using the financial data referenced above.

1. Describe what is being requested?	
\$393,317 is being requested to provide additional funding to award the low bid for the filter equipment purchase of the Well 26 Water Treatment Project. This project is in year 1 of 2 years. The facility design is in progress and coordination with the filter equipment company will happen once the equipment contract is award. Facility construction to house the filter is scheduled to happen in fiscal year 2023. The current Enterprise Fund balance will support the addition of this funding in FY22.	
2. Why was this budget request not submitted during the current fiscal year budget cycle?	
The need for the additional funding was not known when the 2022 budget was requested. The project was bid out and a low bidder has been identified. Higher than anticipated costs seem to be due to the current construction environment, labor shortage and higher material costs.	
3. What is the explanation for not submitting this budget request during the next fiscal year budget cycle?	
Waiting until the next fiscal year to provide funding for the project would delay project completion by at least another 17 months. This would most likely incur additional expense to procure the water treatment equipment and raw materials which must then be incorporated into the delayed construction project.	
4. Describe the proposed method of funding? If funding is split between Funds (i.e. General, Enterprise, Grant), please include the percentage split. List the amounts and sources of anticipated additional revenue that will result from approval of this request.	
Enterprise Fund.	
5. Does this request align with the Department/City's strategic plan? If not, please explain how this request was not included in the Department/City strategic plan?	
Yes - Public Health and Safety.	
6. Does this request require resources to be provided by other departments? If yes, please describe the necessary resources to be provided by other departments.	
Yes - Purchasing for contract execution.	
7. Does this Amendment include any needed Equipment or Software that will utilize the City's network? (Yes or No)	No
8. Is the amendment going to result in the disposal of an asset? (Yes or No)	No
9. Any additional comments?	

Total Amendment Request \$ 393,317

Every effort should be made to avoid reopening the budget for an amendment. Departments will need to provide back up and appear before the City Council to justify budget amendments. Budget amendments are intended for emergency or mandatory changes to the original balanced budget. Changes to the original balanced budget may cause a funding shortfall.