

RESOLUTION NO. 4017

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD
APPROVING AN EXPENDITURE OF \$82,000 FOR
INCREASED COSTS IN THE DESIGNING, ENGINEERING, FURNISHING,
FABRICATING, UNLOADING, ERECTING, AND PAINTING
ONE (1) 1.0 MILLION GALLON WATER TANK AT LA CUESTA SITE AND
APPROVING A 15% CONTINGENCY FOR THE PROJECT**

WHEREAS, on July 21, 2004 the City entered into an agreement with CB&I Constructors, Inc. to design and construct a second one million gallon water tank at the La Cuesta site at the cost of \$418,770; and

WHEREAS, after the agreement was executed, the City asked the contractor to purchase the steel to avoid escalating steel prices; and

WHEREAS, on January 13, 2005 and April 13, 2005 the City paid the contractor a total of \$106,796.81 to purchase the steel materials; and

WHEREAS, the City has advertised and awarded a contract to improve the La Cuesta site in preparation for the installation of a second water tank; and

WHEREAS, the City notified the tank contractor to prepare for the installation of the second tank; and

WHEREAS, the contractor informed the City that the contractor incurs additional \$82,000 for increases in labor, fuel, materials, and subcontracting costs between July 2004 and July 2007; and

WHEREAS, staff has reviewed the requested increase in costs and it appears reasonable; and

WHEREAS, staff also recommends that the City Council approve a 15% contingency for the project in the amount of \$62,815.50.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLEDAD DOES RESOLVE AS FOLLOWS:

Section 1. That the City Council approves an expenditure of \$82,000, breakdown attached as "Exhibit A" and incorporated herewith, for increased costs in the designing, engineering, furnishing, fabricating, unloading, erecting and painting One (1) 1.0 Million Gallon (MG) CB&I Water Tank at La Cuesta Site.

Section 2. That the City Council approves a 15% Contingency for the project in the amount of \$62,815.50.

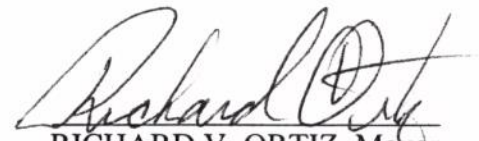
PASSED AND ADOPTED by the City Council of the City of Soledad at a regular meeting duly held on the 6th day of June 2007, by the following vote:

AYES, and in favor thereof, Councilmembers: Martha Camacho, Juan Saavedra, Patricia Stephens, Mayor Pro Tem Christopher Bourke, Mayor Richard Ortiz

NOES, Councilmembers: None

ABSTAIN, Councilmembers: None

ABSENT, Councilmember: None


RICHARD V. ORTIZ, Mayor

ATTEST:


NOELIA F. CHAPA, City Clerk

City of Soledad
Contract 1148044
Cost Increase for CB&I Constructors, Inc. (January 1, 2005 - Present)

Material Storage		\$6,231.52
Increase in Tank Foundation Subcontract		\$2,756.25
Increase in Internal CP Subcontract		\$1,027.17
Increase in Field Paint Costs		\$27,175.09
Shop Labor, Fringes & Overhead	\$4,395.16	
Shop Materials	\$1,086.52	
Field Labor, Fringes & Overhead	\$15,544.18	
Paint Materials	\$950.71	
Paint Misc. (Abrasive, Fuel, Feight, etc.)	\$5,198.52	
Total	<u>\$27,175.09</u>	
Increase in Field Tank Erection Costs		\$44,810.41
Shop Labor	\$2,362.50	
Shop Fringes & Overhead	\$11,426.74	
Field Labor	\$9,712.50	
Field Fringes & Overhead	\$16,395.75	
Tank Erection Misc. (Fuel, Feight, etc.)	\$4,912.92	
	<u>\$44,810.41</u>	
TOTAL INCREASE		<u>\$82,000.45</u>
ORIGINAL JOB COST		\$418,770.00
REVISED CONTRACT AMOUNT		\$500,770.45
PERCENT INCREASE		19.58%

5/30/2007

Exhibit "A"