

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-1

Urgent

Routine

CEO Concurs with Recommendation YES NO
(Information Attached)

AGENDA DATE August 17, 2010

4/5 Vote Required YES NO

SUBJECT:

Approval to Accept the Third Update on the Status of the Immediate Action Plan to Secure the Men's Honor Farm in Accordance with Public Contract Code Section 22050 for the Abatement, Demolition and Clean-Up of the Destroyed Barracks.

STAFF RECOMMENDATIONS:

Accept the third update on the status of the Immediate Action Plan to secure the Men's Honor Farm in accordance with Public Contract Code Section 22050 for the abatement, demolition and clean-up of the destroyed barracks.

FISCAL IMPACT:

On June 26, 2010, a fire erupted at the Stanislaus County Sheriff's Honor Farm completely destroying Barracks 1 and 2 with the rated capacity to house 172 inmates. On July 13, 2010, the Board of Supervisors approved a Declaration of Emergency as a first step toward the clean-up of fire debris and the replacement of the lost facility to be covered by the County's insurance. On August 3, 2010, the Board of Supervisors in accordance with Public Contract Code Section 22050, approved the delegation of contracting authority to the Chief Executive Officer or his designee to order an action appropriate to contract for the remaining abatement, demolition and clean-up of the destroyed barracks.

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BOARD ACTION AS FOLLOWS:

No. 2010-511

On motion of Supervisor Monteith, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:



CHRISTINE FERRARO TALLMAN, Clerk

File No.

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FISCAL IMPACT: (Continued)

Work on the Immediate Action Plan is continuing. Since that time, the Project Manager has executed an agreement with Belfor USA Group, Inc. of Lodi, California to complete the abatement, demolition and clean-up of the site. The agreement with Belfor USA Group, Inc. is estimated not to exceed \$250,000 completely at the expense of the County's Insurer. This is in addition to the \$50,000 previously approved by the Board on July 13, 2010 for professional services and ensures the site is secured.

The agreement between the County and Belfor USA Group, Inc. provides for a safe, expedient response to the emergency situation created by the June 26, 2010 fire at the Honor Farm, ensuring the County is well protected by the County's Construction Contract to guide the work effort.

Public Contract Code Section 20134 provides that a contractor who provides equipment and materials on an emergency basis shall be paid the actual cost of the use of machinery and tools and of material, and labor and of workers' compensation insurance expended by him or her in doing the work, plus not more than 15 percent to cover all profits and administration.

On July 13, 2010, the Board of Supervisors authorized the Chief Executive Office - Risk Management Division to negotiate an advance payment to fund initial project costs to ensure the safety and security of the site and to aid in the demolition, planning, and design services for a replacement facility. Currently staff is reviewing the initial advance payment analysis and will work directly with the insurer on this activity to ensure that the initial cash advance is appropriate.

Once a replacement cost estimate is negotiated, staff will return to the Board for approval to accept recommended replacement cost value with the Insurer for the full replacement value to construct 172 new beds lost as a result of the fire on June 26, 2010.

All expenses incurred as a result of the fire are fully recoverable by the County's insurance after the \$10,000 deductible is met by the County.

Staff will return to the Board and report on the status of the emergency project within 14 days, as required by the Public Contract Code until the action is terminated.

DISCUSSION:

On June 26, 2010, a fire erupted at the Stanislaus County Honor Farm completely destroying Barracks 1 and 2 with the rated capacity to house 172 inmates. County staff have met with the County's insurer, Alliant, to establish the provisions of the insurance policy, including replacement of the lost capacity at the Honor Farm, and to define

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procedures for achieving successful negotiations with the insurer; securing the facility; and abatement, demolition and removal of the debris and contents of Barracks 1 and 2. The Board of Supervisors approved a Declaration of Emergency on July 13, 2010.

Following is a summary of activities underway:

Emergency Update

On July 13, 2010, the Board of Supervisors approved taking six actions:

1. Declare an emergency as a result of a fire on June 26, 2010, which destroyed Barracks 1 and 2 at the Men's Honor Farm at 8224 W. Grayson Road.
2. Authorize the Sheriff and the Chief Executive Officer to implement an immediate action plan to house inmates displaced as a result of a fire in Barracks 1 and 2 at the Men's Honor Farm.
3. Authorize the Chief Executive Officer to contract with professional services to assist with the negotiation of a settlement with the County's insurance carrier. The cost will be reimbursed by the insurance company.
4. Authorize the Chief Executive Office - Risk Management Division to negotiate an advance payment with the County's Insurance carrier to fund initial project costs to ensure the safety and security of the site and to aid in the demolition, planning, and design services for a replacement facility.
5. Authorize the Chief Executive Officer to negotiate with the insurer for abatement, demolition and removal of debris from the site.
6. Authorize the Sheriff to designate a transition Sergeant to coordinate transition activities upon funding approval from the County's insurance carrier.

On August 3, 2010, the Board approved the following actions:

1. Expand the Emergency Order declared on July 13, 2010, consistent with the provisions of the Public Contract Code Section 22050 by making a 4/5 vote of the following findings:
 - a) The fire on June 26, 2010 destroyed Barrack 1 and 2 leaving a potential hazardous situation;
 - b) The repair: abatement, demolition and clean-up, is necessary to permit continuous essential County Operations; and

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- c) This emergency situation would not allow for a delay which would result if the project were competitively bid, and the action to immediately repair the site on an emergency basis.
2. Delegate to the Chief Executive Officer or his designee, the authority to order any action appropriate; and to complete the repair; and to take any directly related and immediate action required by that emergency, and to procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let a contract.

The activities underway are consistent with previous actions approved by the Board of Supervisors:

Safety and Security of the Site

The Sheriff's staff continues to do an outstanding job of providing for inmate supervision and safety in the remaining housing at the Honor Farm while securing the areas that remain operational from the areas destroyed by the fire.

Inmate movement and transportation continues uninterrupted during the project abatement, demolition and clean-up. An additional secure barrier was erected outside the project area to allow for a free flow and safe environment for inmates and Sheriff Detention staff.

Site and Debris Clean-up Activities

The County has contracted with Belfor USA Group, Inc. of Lodi, California to abate, demolish and clean the damaged areas.

Significant progress has been made since efforts began including the complete and systematic abatement of the site. Removal of the metal and debris left behind the wake of the fire has been completed, reducing many of the imminent security concerns and hazards. The Belfor team has begun demolition activities with an anticipated completion date of August 20, 2010. The Project is currently on schedule and within the approved budget.

The County has contracted with J.W. Mack Consulting to provide on-site industrial hygienist services to monitor abatement activities, to conduct air sampling, and to ensure the site and work underway is safe.

Insurance Coverage

Preliminary discussion with Alliant and the California Association of Counties – Excess Insurance Authority indicate that the insurance in effect at the time of the fire will cover:

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- a) The value of the contents of the destroyed buildings;
- b) Any increased costs associated with continuation of business that are the direct result of the fire for a reasonable period of time; and
- c) Replacement of the lost capacity to meet current regulations and codes.

Scope of Replacement Activities

Staff from the Chief Executive Office, Capital Projects, Sheriff's Detention, and the firm of Lionakis, Inc. of Sacramento, California continues to meet to discuss and develop a definition of the scope of a replacement facility based on requirements defined in Title 24 of the California Code of Regulations through the assistance of the California Corrections Standards Authority (CSA).

Lee Saylor and Associates will provide an independent cost estimate, both of which will provide a basis for the County to negotiate a settlement with the Insurer.

Once a definition and scope of replacement plan has been completed, staff will return to the Board to provide a detailed overview of the plans prior to proceeding with negotiations with the Insurer.

Staff will return to the Board and report on the status of the emergency project within 14 days, as required by the Public Contract Code until the action is terminated.

POLICY ISSUES:

Approval of this update is consistent with the requirements of the Public Contracts Code and is consistent with the Board of Supervisors' priorities of A Safe Community and Efficient Delivery of Public Services.

STAFFING IMPACT:

Staff from the Chief Executive Office, Capital Projects Division is responsible to manage this effort and coordinate with the Sheriff's Department in the procurement of services and to permit the conduct of essential County operations and services. Staff from the Chief Executive Office, Sheriff's Office, and Risk Management Division are working together on this effort.

CONTACT:

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