

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

DEPT: Chief Executive Office

BOARD AGENDA # *B-8

Urgent

Routine

AGENDA DATE April 5, 2011

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Accept the Final Update on 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:

Approval to Accept the Final Update on 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 and to end the emergency declaration for the Honor Farm fire.

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. 2011-203

On motion of Supervisor O'Brien, Seconded by Supervisor Chiesa
and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT: (Continued)

On July 13, 2010, the Board of Supervisors authorized the Chief Executive Officer or his designee to begin negotiations with the County's Insurer to settle the claim for the loss of the 172 beds at the Stanislaus County Sheriff's Honor Farm. At that time, the Board of Supervisors also 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.

The Board of Supervisors previously approved a project budget for claim settlement and abatement activities of \$115,000 as detailed below in the sources and uses chart:

**Honor Farm Barracks Replacement Project
 Total Approved Project Budget: \$115,000**

Honor Farm Barracks Replacement Project Funding Sources:	<i>Amount</i>
Abatement: Chief Executive Office-Plant Acquisition	\$25,000
Settlement: Chief Executive Office-Plant Acquisition	\$90,000
Total	\$115,000

Honor Farm Barracks Replacement Project Expenditure Uses:	<i>Amount</i>
Services and Supplies: Printing, Publications, Emergency Fencing	\$3,650
Estimating Services	\$5,000
Architectural Design Services	\$49,000
Construction Management Services	\$47,000
Abatement Monitoring Consultant	\$10,350
Total	\$115,000

To date, project costs remain within the Board's previously approved budget. The Insurer has assured the County it will pay the County for all these additional costs needed to settle this claim. Expenses incurred as a result of the fire are fully reimbursable by the County's insurance after the \$10,000 deductible is met by the County.

The County received an advance partial proof of loss payment from the Insurer of \$845,543. The advance partial proof of loss payment is an estimated actual cash value at the time of the loss of Barracks 1 and 2. The advance payment partial proof of loss payment does not reflect the full replacement value to construct 172 beds to current codes and standards based on requirements defined in Title 24 of the California Code

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of Regulations through the assistance of the California Corrections Standards Authority (CSA).

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, tools, material, 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.

At this time, the Chief Executive Officer is requesting the Board accept the final update on 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 and end the emergency declaration.

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 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 that were completed as part of the Immediate Action Plan:

Immediate Action Plan

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

1. Declared 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. Authorized 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. Authorized 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. Authorized the Chief Executive Office - Risk Management Division to negotiate an advance payment with the County's Insurance carrier to fund initial project

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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. Authorized the Chief Executive Officer to negotiate with the insurer for abatement, demolition and removal of debris from the site.
6. Authorized 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. Expanded 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
 - 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. Delegated 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.

Since that time, the following Immediate Action Plan activities were completed:

Safety and Security of the Site

The Sheriff's staff performed an outstanding job of providing inmate supervision and maintaining inmate 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 was 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

Belfor USA Group, Inc. of Lodi, California was used to abate, demolish and clean the damaged areas.

On August 23, 2010, Belfor USA Group, Inc. completed the abatement, demolition, and site clean-up of Honor Farm Barracks 1 and 2, and the temporary fencing erected to secure the immediate site area has been removed. The abatement, demolition and site clean-up were completed on schedule.

The County completed its review of the expenses for the clean-up and authorized the Insurer to pay Belfor USA Group, Inc. directly, with no fiscal impact to the County.

Insurance Coverage

On-going discussions continue with Alliant and the California Association of Counties – Excess Insurance Authority indicates that the insurance in effect at the time of the fire will cover:

- 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 continues to work with the Insurer on the definition of a scope of the replacement project. Once a definition and scope of replacement plan has been completed, staff will return to the Board with a full update and action plan to initiate the replacement of the lost facilities.

The Insurer has acknowledged the County may rebuild on the site it believes to best fit the needs of the County in accordance with the County's insurance policy.

Once a full replacement cost estimate and scope of replacement including siting of a new facility 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.

It is recommended that the emergency declaration period on this effort be brought to closure. Final recommendations for the insurance settlement and facility replacements are nearing completion.

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POLICY ISSUES:

Approval of this action is consistent with the Board's goal of A Safe Community and promoting 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, County Counsel, Sheriff's Office, and Risk Management Division collaborated on this effort.

CONTACT PERSON:

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