

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

DEPT: Chief Executive Office

BOARD AGENDA # *B-7

Urgent

Routine

AGENDA DATE July 15, 2014

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Accept the Update on the Status of the Emergency Repairs at the Gallo Center for the Arts, Inc. in Accordance with Public Contract Code Sections 20134 and 22050 to Repair Water Damage and Restore Essential Operations

STAFF RECOMMENDATIONS:

Accept the third update in accordance with Public Contract Code Sections 20134 and 22050 for the Emergency Repairs at the Gallo Center for the Arts, Inc. to repair water damage and restore essential operations.

FISCAL IMPACT:

The Gallo Center for the Arts is owned by Stanislaus County. The Gallo Center for the Arts Inc. is a nonprofit corporation that is the exclusive Operator of the Center under the Operating Agreement. The final budget for the construction of the Gallo Center for the Arts, Inc. was \$34,889,799. The County's total contribution to the project was \$15 million, which included \$2.5 million in land value from the selected site at 10th and I Streets in downtown Modesto. The CVCA donated funding of \$19,728,799.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-373

On motion of Supervisor Monteith, Seconded by Supervisor Withrow

and approved by the following vote,

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

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)

The Gallo Center for the Arts is owned by Stanislaus County. The Gallo Center for the Arts Inc. is a nonprofit corporation that is the exclusive Operator of the Center under the Operating Agreement.

On June 9, 2014, Gallo Center for the Arts, Inc. staff arrived at the center at approximately 6:30 a.m. and discovered that major flooding had occurred over the weekend. There has been extensive water damage to the ceilings, walls and floors, as well as to equipment and furniture caused by the flooding. The immediate response to the flooding was handled efficiently.

On June 10, 2014, the Board of Supervisors in accordance with Public Contract Code Sections 20134 and 22050, approved the delegation of authority for the Chief Operations Office to serve as the Project Manager for all aspects of Gallo Center Emergency Repair Project; authorized the Project Manager to negotiate and execute an Agreement with Belfor USA Group, Inc., an approved contractor of the County's Insurer, to complete the emergency abatement, demolition and clean-up of the site completely at the expense of the County's Insurer, an approved contractor of the County's insurer.

The Board of Supervisors also authorized the Project Manager to order any action appropriate to repair the water damage, 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.

All expenses incurred as a result of the flood damage are recoverable by the County's and the Gallo Center's insurance after the \$10,000 deductible is met by the County. Until the County formally settles a claim for the losses incurred, the project costs will be temporarily funded out of the Chief Executive Office - Plant Acquisition budget out of existing appropriations previously approved by the Board.

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:

The Gallo Center for the Arts is widely recognized as a world class performing arts center. The quality of construction and design of the facility is extraordinary and well regarded by the patrons, the public and the community.

On June 9, 2014 extensive water damage occurred at the Gallo Center for Arts, Inc. Staff is recommending a series of actions to address the damage and to keep the Center operational during construction.

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On June 10, 2014, the Board of Supervisors unanimously authorized a series of actions to address the damage and to keep the Center operational during the demolition, restoration and construction.

The specific Board of Supervisors approved actions were:

1. Approve to declare an Emergency in accordance with Public Contract Code Section 22050 to contract for emergency repairs at the Gallo Center for the Arts, Inc.
2. Approve Staff's recommendation to act in accordance with Public Contract Code Section 20134 and 22050 in order to make the immediate repairs required at the Gallo Center for the Arts, Inc.

By a 4/5 vote, make the following findings:

- a) that the damages occurred at the Gallo Center for the Arts, Inc. as a result of a water leak that occurred in the concession area adjacent to the Mary Stewart Rogers Theater;
 - b) that the repair is necessary to permit the continued conduct of essential County operations or services; and
 - c) that the emergency will not allow for a delay that would result if the project were competitively bid, and that the action to immediately repair the building on an emergency basis is necessary.
3. Acknowledge and ratify the immediate restoration actions already taken to mitigate the flooding that occurred performed by Coit Restoration Services of Modesto, California and Belfor USA Group, Inc. of Modesto, California.
 4. Direct the Chief Operations Officer to serve as Project Manager for all aspects of this construction project.
 5. Authorize the Project Manager to negotiate and execute an Agreement with Belfor USA Group, Inc. to complete the emergency abatement, demolition and clean-up of the site completely at the expense of the County's Insurer, an approved contractor of the County's insurer.
 6. Authorize the Project Manager to order any action appropriate to repair the water damage, 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.

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7. Require the Chief Executive Office to report to the Board on the status of the emergency project at its next regularly scheduled meeting and every 14 days thereafter, as required by the Public Contract Code until the repairs are completed.
8. Direct the Chief Executive Officer or his designee to make the claims regarding the Gallo Center for the Arts incident and damages to all applicable insurers.
9. Acknowledge that time is of the essence, as the Gallo Center for the Arts, Inc. has several major events calendared that require immediate action be taken to mitigate the damage and perform the required repairs, and minimize business interruption to the non-profit operator of the Center.

Phase I Abatement, Demolition and Clean-Up

The County has contracted with Belfor USA Group, Inc. to complete Phase I abatement, demolition and clean-up of the site. Phase I activities were completed on June 20, 2014, efficiently and on schedule to ensure performances could resume at the Center with limited interruption. The work was conducted on a 24/7 basis.

Procurement for the Restoration and Construction Phase

The Project Manager has contracted with Steven Gaffney Architecture, Inc., the original Architect who designed the Gallo Center for the Arts. Steven Gaffney has extensive knowledge of the facility design, and has assisted the County with defining the scope of the needed repairs. The Project Manager has also contract with ACME Construction, Inc. of Modesto, California to provide construction management services and oversee the delivery of the project, and Stewart and Stewart Inspection Services of Denair, California for quality control and inspection. The cost for these services has been approved by the County's Insurer and will be reimbursed.

Consistent with the Board of Supervisors authority, the Project Manager has negotiated and finalized a construction contract for the emergency repairs at the Gallo Center for the Arts, Inc. with Belfor USA Group, Inc. for the restoration and construction of the Center. The County will authorize the Insurer to pay Belfor USA Group, Inc. directly once the County reviews and approves the final invoice submitted. Belfor will act as the General Contractor. In addition, Belfor has hired at the County's request sub-primarily local sub-contractors who include the following:

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Subcontractor	Name
Drywall	Aderholt, Modesto, California
Insulation	Aderholt, Modesto, California
Electrical	Collins Electric, Modesto, California
Signage	Fluoresco, Fresno, California
Flooring	House of Carpets, Modesto, California
Suppression/Fire	Cen Cal, Stockton, California
Alarm/Fire	Tri Signal, Fresno, California
Fire Proofing	Bay City, Murphys, California
Plaster	Vient, Modesto, California
Paint	Vient, Modesto, California
Elevator	Thyssenkrupp, Modesto, California
HVAC	Modern Air, Merced, California
Cabinetry	Wood Colony, Modesto, California
Finish Hardware	Wood Colony, Modesto, California

Restoration and Construction Phase Progress Update

The restoration work is primarily composed of drywall/ Level 5 finishes and flooring to return the Center to its original condition.

The construction contractor has made significant progress during the restoration and construction phase. The construction contractor has completed hanging the drywall and is in the process of top coating and sanding surfaces in preparation for painting. Primer and painting in the concession area on the first floor has begun. Construction completion is anticipated to be in late August 2014.

The County’s Insurer, Lexington, Adjustor, McLarens Global Claim Services and Broker Alliant Insurance Services (who serves as the Broker for the CSAC EIA Program of which the County is a member) have worked extraordinarily well with the County and the Gallo Center for the Arts on this claim, recognizing the urgency for the Center to be returned to its full operating status and recognizing the scope of the repairs needed.

Public Contract Code Section 22050 requires staff to report on the emergency action every 14 days until the action is terminated.

POLICY ISSUES:

Approval of this action will address this unexpected situation and promote efficiency in the administration of the County's operations. Additionally, this action supports the Board's priorities of A Safe Community, A Healthy Community, Effective Partnerships, and Efficient Delivery of Public Services.

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STAFFING IMPACT:

Existing Capital Projects Staff will manage this construction project in coordination and collaboration with Chief Executive Office Risk Management Division and Gallo Center for the Arts, Inc. staff.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer. Telephone: (209) 525-6333