

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS

BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA: 5.B.19  
AGENDA DATE: June 26, 2018

**SUBJECT:**

Accept the First Update in Accordance with Public Contract Code Sections 20134 and 22050 for Emergency Remediation/Repairs at 10th Street Place, to Repair Water Damage and Restore Essential Government Operations

**BOARD ACTION AS FOLLOWS:**

**RESOLUTION NO. 2018-0329**

On motion of Supervisor Chiesa Seconded by Supervisor Olsen  
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Monteith, and Vice-Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: Chairman DeMartini

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

4)  Other:

MOTION:

ATTEST:

  
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:5.B.19  
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CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

Accept the First Update in Accordance with Public Contract Code Sections 20134 and 22050 for Emergency Remediation/Repairs at 10<sup>th</sup> Street Place, to Repair Water Damage and Restore Essential Government Operations

**STAFF RECOMMENDATION:**

1. Accept the first update in accordance with Public Contract Code Sections 20134 and 22050 for emergency remediation/repairs at 10<sup>th</sup> Street Place, to repair water damage and restore essential government operations.

**DISCUSSION:**

On June 7, 2018, around 6:45 a.m., County Risk Management staff discovered a significant water leak that occurred overnight at 10<sup>th</sup> Street Place. This leak was caused by a ruptured heat exchange valve, a piece of equipment that is used to regulate pressure in the domestic hot water heating system. Water flowed from the rooftop boiler room and traveled down through the walls to the basement. The extent of the damage is not yet fully known.

Chief Executive Office staff collaborated with County General Services Agency staff on behalf of the 10<sup>th</sup> Street Place Joint Powers Agency (JPA) and authorized Belfor USA Group, Inc. (Belfor) to begin immediate abatement of the water leak. There was extensive water damage to the ceilings, walls, and floors as well as more limited damage to equipment, furniture and fixtures. Significant damage occurred to ceiling tiles, carpet and walls in the County Board of Supervisors office on the 6<sup>th</sup> floor as well as the County Risk Management conference rooms and City of Modesto Informational Technology lobby and training room on the 5<sup>th</sup> floor. Less severe damage occurred on the 1<sup>st</sup> through 4<sup>th</sup> floors and in the basement. All of the damage appears to be on the J Street side of the building where the water traveled from the roof top area down the interior side of the building.

A special, publicly noticed meeting of the 10<sup>th</sup> Street Place JPA Commission was held on June 8, 2018. The commission delegated authority to the Board of Supervisors and its designated project manager to take all necessary actions and enter into contracts on behalf of and for the benefit of the 10<sup>th</sup> Street Place JPA, to remediate, repair, and restore the facilities. On June 12, 2018 the Board of Supervisors declared an emergency on behalf of the 10<sup>th</sup> Street Place JPA, appointed the Chief Operations Officer as Project Manager, and authorized the Project Manager to negotiate and execute contracts between the 10<sup>th</sup> Street Place JPA and Belfor, and any other contractors necessary to complete the remediation, repair and restoration work.

In the last two weeks, the inter-department project team has successfully relocated the Board of Supervisors to the 1<sup>st</sup> floor of 10<sup>th</sup> Street Place, collaborated with Belfor to complete the remediation process, conducted multiple site walks with the JPA's insurance carrier and is in the process of finalizing a contract with Belfor to initiate and complete the build-back process. Staff are expecting the facility to be fully restored in four to six weeks.

Due to the fact that there is no Board of Supervisors meeting scheduled for July 10, 2018, staff will provide updated information at the Board's next regularly scheduled meeting on July 17, 2018.

**POLICY ISSUE:**

Public Contract Code Section 22050 (a)(1) states, "In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts." Further, Public Contract Code Section 22050 (c)(1) requires staff to report on the emergency at its next regularly scheduled meeting and every 14 days thereafter until the emergency is terminated. Due to the fact the Board of Supervisors does not have a meeting on July 10, 2018, the next update will occur at the next regularly scheduled Board of Supervisors' meeting on July 17, 2018.

It is important to note that following emergency procedures will still require prevailing wage and the use of local subcontractors is anticipated.

**FISCAL IMPACT:**

There is no immediate remediation, repair, or restoration direct cost to the County associated with this action at this time. The County is acting on behalf of and for the benefit of the 10<sup>th</sup> Street Place JPA, whose members include both the County and the City of Modesto.

The 10<sup>th</sup> Street Place Joint Powers Agency maintains an "all-risk" property and fire insurance for 10th Street Place with a \$10,000 deductible. In addition, the City and the County have additional policies that cover the property contents of each agency. Joint Powers Agency staff has notified the JPA's carrier of the loss. Belfor, with local offices in Modesto, is an approved contractor for the JPA's insurer. Belfor will ensure the initial demolition and clean-up phase will be procured efficiently and without any delays that could arise through a lengthy approval process.

Currently the cost to repair the damage is being estimated. It is not yet known whether all expenses incurred as a result of the flood damage could be recoverable by the JPA's insurance after the \$10,000 deductible is met. Should any costs not be repaid by the JPA's carrier, staff will return to the 10<sup>th</sup> Street Place Joint Powers Agency Commission with a comprehensive plan, which may include requesting additional funds from the Joint Powers Agency partners, including the County.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions are consistent with the Boards' priority of *Delivering Efficient Public Services and Community Infrastructure* by declaring an emergency to abate repair and restore the 10<sup>th</sup> Street Place Facility.

**STAFFING IMPACT:**

This project will be successfully completed by the Chief Executive Office Capital Projects team in collaboration with County Counsel, General Services Agency, Risk Management and the City of Modesto.

**CONTACT PERSON:**

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