

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

DEPT: Chief Executive Office

BOARD AGENDA: 6.B.12
AGENDA DATE: October 30, 2018

SUBJECT:

Acceptance of the Eighth 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. 2018-0531

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

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini _____

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: 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:6.B.12
AGENDA DATE: October 30, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Acceptance of the Eighth 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

STAFF RECOMMENDATION:

1. Accept the eighth 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.

DISCUSSION:

On June 7, 2018, around 6:45 a.m., County Risk Management staff discovered a significant water leak that occurred overnight at 10th 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 10th 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 6th floor as well as the County Risk Management conference rooms and City of Modesto Informational Technology lobby and training room on the 5th floor. Less severe damage occurred on the 1st through 4th floors and in the basement. All 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 10th 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 10th 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 10th Street Place JPA, appointed the Chief Operations Officer as Project Manager, and authorized the Project Manager to negotiate and

execute contracts between the 10th Street Place JPA and Belfor, and any other contractors necessary to complete the remediation, repair and restoration work.

Update

Since the last update to the Board of Supervisors on October 9, 2018, Belfor completed the mechanical, ceiling, and wall repairs on floors three through six. The Project Manager also selected carpet materials, authorized Belfor to place the initial material order, and to expedite carpet needed to complete the restoration of the Board of Supervisors office. Carpet is expected to arrive in four weeks.

The Project Manager continues to work with Belfor and the JPA Insurance carrier on a comprehensive carpet replacement plan for all damaged floors that minimizes the disruption to government operations. City and County staff are engaging in the planning process and are creating an interagency team to ensure a successful project. The entire carpeting replacement project is likely to take many months.

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 there is no meeting scheduled for November 13, 2018, the next update will occur at the next regularly scheduled Board of Supervisors' meeting on November 20, 2018.

FISCAL IMPACT:

The 10th 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.

The final cost to repair the damage is being estimated; however, the JPA's Insurance Carrier has approved a \$1 million partial proof of loss for the facility. The JPA's Insurance Carrier has also notified the County's Risk Management division that it is prepared to issue an additional \$1.1 million partial proof of loss.

It is not yet known whether all expenses incurred because of the flood damage are 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 10th 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 10th 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. Telephone: (209) 525-6333