

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

DEPT: Chief Executive Office

BOARD AGENDA # *B-2

Urgent ☐

Routine ☒

AGENDA DATE February 8, 2011

CEO Concurs with Recommendation YES ☒ NO ☐
(Information Attached)

4/5 Vote Required YES ☐ NO ☒

SUBJECT:

Approval to Accept the Fifteenth 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:

Accept the Fifteenth 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 and authorize the use of existing funds within the budget, to be reimbursed by the Insurer for additional professional work needed to complete the settlement of the claim.

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.

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2011-092

On motion of Supervisor DeMartini, Seconded by Supervisor Withrow

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) ☒ 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 approved staff to contract for professional architectural, estimating, and construction management services not to exceed \$25,000 to negotiate a settlement with the Insurer, and additional appropriations not to exceed \$25,000 for demolition/abatement activities to ensure the site was made fully secure, both of which are fully reimbursable by the County's Insurer. 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.

On September 14, 2010, staff hosted a conference call meeting with the Insurer on this and all matters related to the recovery of this loss, including an advance partial proof of loss payment for the estimated actual cash value at the time of the loss of Barracks 1 and 2.

The advance partial proof of loss payment is an estimated actual cash value at the time of loss. The insurer has provided the County with the initial partial proof of loss payment in the amount of \$845,543. This 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 of Regulations through the assistance of the California Corrections Standards Authority (CSA).

On November 2, 2010, the Board of Supervisors approved to increase appropriations \$35,000 for professional architectural design and construction management services and authorized staff to continue to work with the Insurer to evaluate replacement and siting options at both the Stanislaus County Honor Farm and at the Public Safety Center. The request was approved by the Board of Supervisors at the request of the Insurer to have additional time to work with County staff and the architect to validate the definition of the scope of replacement to construct 172 new jail beds to current codes and standards based on requirements defined in Title 24 of the California Code of Regulations through the assistance of the California Corrections Standards Authority (CSA). To date, project costs remain within the Board's previously approved budget.

The Insurer continues to exhaustively evaluate the definition of the scope of replacement and siting options for the 172 destroyed beds lost to the fire on June 26, 2010. As a result, the County has advised the Insurer that this continued analysis and deliberation will result in increased costs by County staff and for outside professional architectural design and construction management services to support the Insurers

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efforts to reach a definition of the scope of replacement and a settlement. It is our view that this work effort is necessary in order to settle the claim.

At this time, staff is recommending the Board of Supervisors approve the use of existing budgeted funds for in the amount up to \$20,000 for professional architectural design, construction management services. The design services will increase from \$34,000 to \$44,000, and construction management services are anticipated to increase from \$37,000 to \$47,000. 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 recoverable by the County's insurance after the \$10,000 deductible is met by the County.

Previously, the County contracted with Belfor USA Group, Inc. to complete the emergency abatement, demolition and clean-up of the site at a cost estimated not to exceed \$250,000 completely at the expense of the County's Insurer. The County has completed its review of the invoice submitted by Belfor USA Group, Inc. and authorized the Insurer to pay Belfor USA Group, Inc. directly.

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.

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 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:

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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
 - 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.

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

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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.

The following Immediate Action Plan activities underway are consistent with previous actions approved by the Board of Supervisors:

Safety and Security of the Site

The Sheriff's staff has done 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

The County contracted with Belfor USA Group, Inc. of Lodi, California 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 has completed its review of the expenses for the clean-up. The Insurer will pay Belfor USA Group, Inc. directly for the abatement, demolition and site clean-up of the Honor Farm Barracks 1 and 2.

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

On January 13, 2011, staff from the Chief Executive Office, Sheriff's Office, Chief Executive Office - Risk Management Division, County Counsel, Capital Projects, and representatives from the Insurer met at the Stanislaus County Honor Farm. As part of settling the County's claim, the Insurer requested an additional 30 days to evaluate the following related to the replacement of the 172 lost beds as a result of the fire on June 26, 2010.

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.

Staff continue 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.

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, County Counsel, Sheriff's Office, and Risk Management Division are working together on this effort.

CONTACT PERSON:

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

Stanislaus Capital Projects
1010 10th Street, Suite 2300, Modesto, CA 95354
Phone: (209) 525-4380 FAX: (209) 525-4384

BOARD OF SUPERVISORS

TRANSMITTAL

TO: Don Phemister
Phemister Construction Management

2011 MAR -4 A 10: 21

SUBJECT: STANISLAUS COUNTY CAPITAL PROJECTS

DATE: 3/3/2011

We are sending you X *attached* *under separate cover* the following material:

<u> </u> Shop Drawings	<u> </u> Change Order	<u> </u> Specifications
<u> </u> Copy of Letter	<u> </u> Plans	<u> </u> Computer Printout
<u> </u> Prints	<u> </u> Samples	<u> </u> Updates

COPIES	DATE	DESCRIPTION
1		Fully-executed Work Authorization No. 22A for the Honor Farm Barracks 1 & 2 Replacement to increase PO 95586.

REMARKS:

For your records.

Note: WA No. 22A Approved by the Board on February 8, 2011 in Item B-~~1~~.

COPIES: Patricia Hill Thomas (Copy)
Mark Loeser (Copy)
Liz King (Original)
Norma Baker (Original + Copy)
File X 2.1.1 (1871)
File X 5.6.2.1
File AA 5.6.3

SIGNED: 
Teresa Vander Veen

PHEMISTER CONSTRUCTION MANAGEMENT, INC.

**WORK AUTHORIZATION NO. 22A
FOR SPECIAL SERVICES
HONOR FARM BARRACKS 1 & 2**

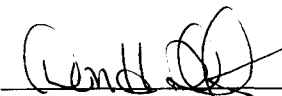
1. This Work Authorization No. 22A is entered into effect February 8, 2011, in accordance with the terms and conditions of the agreement between Phemister Construction Management, Inc., (PCM), and Stanislaus County dated December 20, 2003 (Agreement).
2. This Work Authorization is for those construction management services, for continued professional services through project completion. PCM's work shall include:
 - a. Professional Construction Management Services for project planning.
3. Period of Performance: February 21, 2011 to April 30, 2011.
4. Method of Compensation and Rates:
5. Payment Terms: Per the Agreement.
6. Verification of Insurance: Per the Agreement.
7. Funding Source: 0100 / 0016031 GL 4544
8. NOT TO EXCEED: \$5,000.00

<u>Name</u>	<u>Title</u>	
Gino Colacchia	On-Site Construction Manager	\$90.00 per Hour
TOTAL:		
	\$ 3,000.00 (Work Authorization 22)	
	\$ 2,000.00 (Work Authorization 22A)	
	\$ 5,000.00	

Dated: February 8, 2011



Stanislaus County



Phemister Construction Management, Inc.