

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

DEPT: Public Works

BOARD AGENDA # C-2

Urgent Routine

AGENDA DATE January 15, 2013

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Increase Appropriations in Public Works Engineering's Fiscal Year 2012-2013 Budget in the Amount of \$50,000 for the Purchase of a Modular Office Building

STAFF RECOMMENDATIONS:

1. Approve an increase of appropriations in the Public Works Engineering's Fiscal Year 2012-2013 Budget in the amount of \$50,000 for the purchase of a modular office building.
2. Direct the Auditor-Controller to make the necessary financial transactions per the financial transaction sheet.
3. Authorize the Purchasing Agent to take all of the necessary actions required to salvage the commercial modular trailer located at the Morgan Road Operations Yard.

FISCAL IMPACT:

The Board of Supervisors previously approved the use of \$25,000 of Public Works Engineering's fund balance for this purpose in the current year's Adopted Final Budget. There are sufficient funds remaining in fund balance for the requested additional \$50,000. Public Works Engineering projected fund balance as of December 31, 2012 is approximately \$200,000.

BOARD ACTION AS FOLLOWS:

No. 2013-30

On motion of Supervisor Withrow, Seconded by Supervisor Monteith
and approved by the following vote.

Ayes: Supervisors: Withrow, Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: O'Brien

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The Adopted Final Budget for Public Works Engineering received approval for the use of \$25,000 for the purchase of a modular building to replace an existing building that had reached the end of its useful life. Unfortunately, staff was overly optimistic in their estimate of the cost of a replacement modular. After conducting further research, it became apparent that additional funding would be needed. Therefore, staff requests additional appropriations in the amount of \$50,000.

The current modular building houses the department's Construction Engineering employees. The building was relocated to the Morgan Road Operations Yard location from the Oakdale Yard in 2010 when Public Works consolidated operations at the Morgan Road location. That move was undertaken to increase productivity and efficiencies in the light of looming revenue reductions, primarily the expiration of Proposition 1B funding. The consolidation of offices was projected to result in savings of approximately \$30,000 annually. The majority of the space vacated at Tenth Street Place has been leased to the City of Modesto, recovering both operations and maintenance costs (reimbursed to Public Works) and debt service costs (reimbursed to General fund and Public Facility Fees Funds).

The subject modular was manufactured in the early 1970s and has exceeded its useful life. Since being acquired by Public Works, the building has been relocated twice. The building was initially purchased by the Department of Environmental Resources. When they no longer had need of the facility, Public Works took over ownership. It was initially located at the Morgan Road location, then relocated to the Oakdale Yard where it was used for many years. When the department consolidated staff to the Morgan Road location in 2010, the modular was relocated back to the main yard to be used by the Construction Engineering staff. At the time of the relocation, it became apparent that the facility was not in the best of shape. However, to minimize consolidation expenses the decision was made to make necessary repairs/improvements to extend the life of the unit. By doing so, the Department has been able to get a couple of more years use of the building. Unfortunately, the building has continued to deteriorate and after 40 years of use has reached the point where replacement is needed. In addition, a recent issue regarding air quality in the modular unit has developed. The air has been tested and is of concern adding to the need to replace the facility. The Engineering budget has sufficient available fund balance for the purchase of the building and any associated expenses.

At the time of the initial move to consolidate staff at the Morgan Road location, the Department received appropriations of \$125,000 to be used for the purchase and installation of a modular unit to house road operations and maintenance staff. The Department's actual expenditures were slightly less than \$90,000, a savings of just over \$35,000.

The Department has researched modular building vendors and has determined that the most fiscally responsible option is to purchase a slightly used modular building, which

would have an estimated useful life of 25 years. The building is then reconfigured per the Department's specifications. In addition to the savings acquired through the purchase of a used facility, the vendors also evaluate the existing building to determine a trade in value. Although past its useful life, there is some value in the "bones" of the building. It's been determined that the existing building may have a trade in value of between \$5,000 and \$10,000. This not only lowers the purchase price of a new building, it alleviates the costs of demolishing and disposing of the old building.

The Department has also researched the availability of other county facility office space. There appear to be no other spaces that are appropriate and available. Additionally, fragmenting a small portion of Public Works staff to a remote or other facility would greatly reduce efficiencies and impair communication to be an effective team. The construction engineering group has considerable interaction with Design Engineering, Finance, Administration, and the Roads Divisions. They are also responsible to manage the map/file room housed at the Morgan Road facility. At tenth street place (TSP) the County has no significant space available. Space previously occupied by Public Works has been leased to the City of Modesto. Patchwork vacancies at TSP in some departments would be challenging and costly to consolidate into separate usable space. Other facilities that have vacancies could require tenant improvements and could effectively reduce the value of the larger space. After research, the option of using other County facilities was abandoned in favor of the proposed recommendation.

The proposed modular replacement is consistent with the approved Public Works Master Plan. This modular office investment will be useful now as part of the Morgan Road complex, with future plans to be used for satellite office space, once a new office complex can be implemented at the Morgan Road site.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

POLICY ISSUES:

Approval of this action promotes the Board's priority of Efficient Delivery of Public Services by making the most cost effective and efficient use of County resources.

CONTACT PERSON:

Matt Machado, Director of Public Works. Telephone: (209) 525-4130.

