

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

DEPT: Chief Executive Office

BOARD AGENDA # \*B-10

Urgent

Routine

AGENDA DATE July 1, 2014

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Accept the Second 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

STAFF RECOMMENDATIONS:

Accept the second 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.

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.

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BOARD ACTION AS FOLLOWS:

No. 2014-349

On motion of Supervisor Chiesa, 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)**

On June 10, 2014, the Board of Supervisors in accordance with Public Contract Code Sections 20134 and 22050, unanimously approved the delegation of authority for the Chief Operations Office to serve as the Project Manager for all aspects of Gallo Center for the Arts Emergency Repair Project; authorized 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.

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.

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.

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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.
  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

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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, on efficiently and on schedule to ensure performances could resume at the Center with limited interruption. The work was conducted on a 24/7 basis.

Next Steps: 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.

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, overseeing a scope of work, the vast majority of which will be performed by the local subcontractors listed below.

The Project Manager will 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. In addition, Belfor has hired at the County's request primarily local subcontractors who include the following:

**Belfor Vendor list--Gallo Center:**

Metal Framing – Aderholt, Modesto  
Drywall – Aderholt, Modesto  
Insulation – Aderholt, Modesto  
Electrical – Collins, Modesto  
Signage – Fluoresco – Fresno  
Flooring – House of Carpets, Modesto  
Suppression/ Fire Cen Cal, Stockton  
Alarm/ Fire – Tri Signal, Fresno  
Fire Proofing – Bay City, Murphys  
Plaster – Vient, Modesto  
Paint – Vient, Modesto

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Elevator – Thyssenkrupp, Modesto  
HVAC – Modern Air, Merced  
Cabinetry – Wood Colony, Modesto  
Finish Hardware – Wood Colony, Modesto

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

The County's Insurer, Lexington, and adjustor, McLarens Global Claim Services and Alliant Insurance Services who serves as the Broker for the CSAC EIA Program which the County is a member for insurance purposes 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.

**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. 209-525-6333