

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

DEPT: Chief Executive Office

BOARD AGENDA: 7.B.3  
AGENDA DATE: January 7, 2020

**SUBJECT:**

Accept an 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. 2020-0008**

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

Ayes: Supervisors: Chiesa, DeMartini, Withrow and Chairwoman Olsen

Noes: Supervisors: None

Excused or Absent: Supervisors: Berryhill

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**

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CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

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**SUBJECT:**

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**STAFF RECOMMENDATION:**

1. Accept an 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.

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 sixth floor as well as the County Risk Management conference rooms and City of Modesto Information Technology lobby and training room on the fifth floor. Less severe damage occurred on the first through fourth 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 rooftop 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 needed to complete the remediation, repair and restoration work.

### Update

The project team provided an update on the carpet replacement plan at the 10th Street Place Management Committee meeting on October 17, 2019. A phased plan to replace carpet on the sixth floor has been created with an anticipated start in January 2020. This plan includes the removal of existing carpet, a temporary relocation of staff and their belongings, and replacement with new carpet. It is envisioned that staff in private offices will not have to be relocated during the project. Staff who work in cubicles will be relocated to large conference rooms.

Floors three through five will follow the same model. Temporary furnishings for 10th Street Place conference rooms have been ordered by Belfor and an interagency project team has been assembled to ensure minimal disruptions to government business.

Due to the fact the second floor and basement were not damaged in the June 2018 emergency event, these floors are not eligible for insurance reimbursement. The project team has been collaborating with Belfor to potentially add the second floor to Belfor's scope of work, at the JPA's Cost. The project team provided an update and received feedback at the City of Modesto-Stanislaus County Executive Meeting on November 4, 2019. The 10th Street Place JPA is working with the City and County to identify potential funding sources for the second floor. Once these sources are determined, staff will return to the Board of Supervisors with a recommendation for the second-floor carpet plan and to close out the emergency.

### **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 that there is no Board of Supervisors meeting scheduled for January 21, 2020, the next update will be provided on January 28, 2020, at the next regularly scheduled Board of Supervisors meeting.

### **FISCAL IMPACT:**

The 10th Street Place JPA maintains an "all-risk" property and fire insurance policy 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 insurance carrier of the loss. Belfor, with local offices in Modesto, is an approved contractor for the JPA's insurer.

The final cost to repair the damage is still being estimated; however, the JPA's insurance carrier has approved a \$2.1 million partial proof of loss for the facility. 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. If added to Belfor's scope of work, costs to replace the second floor are estimated not to exceed \$750,000, with each agency paying for its proportional share, based on occupancy of the second floor.

**BOARD OF SUPERVISORS' PRIORITY:**

The recommended actions are consistent with the Board's 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