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Agenda Date: 2/27/2018

Agenda Placement: 6Q

NAPA COUNTY BOARD OF SUPERVISORS

Board Agenda Letter

TO: Board of Supervisors

FROM: Steven Lederer - Director of Public Works
Public Works

REPORT BY: Frank Lucido, Engineering Supervisor - 259-8377

SUBJECT: Napa County Hall of Justice & Annex Final Earthquake Repairs, PW 15-15C, Approval to Award

RECOMMENDATION

Director of Public Works requests the following actions related to the "Napa County Hall of Justice & Annex Final Earthquake Repair Project," PW 15-15C:

1. Award a construction contract for the "Napa County Hall of Justice & Annex Final Earthquake Repair Project," PW 15-15C to Art's Construction Company, Inc. of Fresno, California for their low base bid of \$1,950,000 and authorization for the Chair to sign the construction contract; and
2. Approval of Budget Transfer No. DPW049 for the following (4/5 vote required):
 - a. Increasing appropriations in the Accumulated Capital Outlay Sub-division by \$236,000 offset by the use of available fund balance;
 - b. Increasing appropriations in the Capital Improvement Program (Q0490) by \$2,716,000 with offsetting revenues from insurance proceeds and the transfer of funds from Accumulated Capital Outlay; and
 - c. Authorize the County Executive Officer to use up to \$50,000 (2.5%) of the Accumulated Capital Outlay funds (outlined in 2b) for potential construction change order costs.

EXECUTIVE SUMMARY

Repairs to the Hall of Justice and Annex have been completed in a phased approach that prioritized re-occupying the facility as soon as possible after the August 24, 2014 earthquake. Bids for the fifth and final phase of repairs which will take care of mostly non-structural damage to the buildings were opened on December 21, 2017, and the successful responsive low bidder is Arts Construction Company, Inc. of Fresno, CA with a bid of \$1,950,000. Staff recommends award of a construction contract to move this project to the construction phase. Arts Construction Company, Inc. is not a local vendor.

This budget transfer request for \$ 2,716,000 is required due to this accounting change which we have previously discussed with the Board on October 12, 2017 and needed to increase appropriations for earthquake repairs so they can be completed. Staff anticipates that all construction costs related to earthquake damage except approximately \$186,000 in County staff costs will be paid for by insurance proceeds.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	<p>Insurance proceeds are expected to pay for the construction cost of \$1,950,000, consulting cost of \$25,000, architect services of \$125,000 and \$30,000 for the earthquake repairs that were completed on the second floor of the Hall of Justice after September 2017. There is an additional \$350,000 of funding for construction contingency and potential change orders. Those will need to be approved by the insurance company as they occur to be eligible for reimbursement.</p> <p>County staff time of \$186,000 is not eligible for insurance reimbursement and therefore is requested to be paid for from available fund balance in the Accumulated Capital Outlay fund, partially offset by a return to the Accumulated Capital Outlay of \$172,289 from the Hall of Justice Electronic Valve project which will not proceed. An additional \$50,000 is requested to be transferred from Accumulated Capital Outlay for construction contingencies.</p>
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	A construction contract must be awarded in order for the Hall of Justice and Annex to be repaired and allow the County to collect insurance funds. Some of these repairs include replacing temporary waterproofing to prevent long term damage to the structures.
Is the general fund affected?	Yes
Future fiscal impact:	Work is expected to start in FY 2017-18, continue into FY 2018-19 with the possibility of going into FY 2019-20.
Consequences if not approved:	The County will not be able complete the final earthquake repairs, collect an estimated \$2.3 million in insurance funds, and the waterproofing at the facility could start failing resulting in further damage.
Additional Information:	The County has earthquake insurance for this structure and it is anticipated that 100% of the construction costs will be covered by the current policy, less the deductible, staff time and any possible non-earthquake related damage. Staff has previously negotiated with FEMA to pay the policy deductible.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: Categorical Exemption Class 1: It has been determined that this type of project does not have a significant effect on the environment and is exempt from the California Environmental

Quality Act. [See Class 1 ("Existing Facilities") which may be found in the guidelines for the implementation of the California Environmental Quality Act at 14 CCR §15301; see also Napa County's Local Procedures for Implementing the California Environmental Quality Act, Appendix B.]

BACKGROUND AND DISCUSSION

After the August 24, 2014 earthquake, repairs to the Hall of Justice (HOJ) and Annex were completed in a phased approach that initially focused on making the facility safe and useable as soon as possible. The initial work concentrated on the evaluation and repair of the Hall of Justice's main structure and was followed by the repair of loose grout in the 3rd floor HOJ jail cells. These repairs were then followed by work to remodel and repair the second floor of the Hall of Justice prior to moving Probation back in. The remaining work that is part of the "Napa County Hall of Justice & Annex Final Earthquake Repair Project," PW 15-15C consists of repairing cracked concrete walls, cracked drywall, painting, plastering, stucco replacement, some steel structural repair, some new flooring, repair of window frames and mechanical equipment anchoring.

Bids for this final phase of repairs to the buildings were opened on December 21, 2017 with the following results:

Contractor	Bid Amount
Arts Construction Company, Inc., Fresno, CA	\$1,950,000
Vila Construction Company, Inc., Richmond, CA	\$2,228,955

Arts Construction Company, Inc. is not a local vendor. Public Contract Code requires that the construction contract be awarded to the lowest responsible and responsive bidder regardless of whether the low bidder is local or not. A bid protest was received, evaluated by staff, and determined not to be an issue. Accordingly Vila Construction was notified of the findings and given an opportunity to respond which they did not in the time allotted by the bid documents. Staff outreach to the local construction contractor community included advertising the request for bids in the Napa Valley Register, the Solano-Napa Builders Exchange and posting on the County website. Staff also sent a "Notice to Contractors" to local contractors to inform them about this bidding opportunity. Once the construction contract is awarded the County will contact the Napa County Workforce Investment Board (WIB) and will require the successful contractor to contact the WIB to let them know of its hiring needs.

The County has earthquake insurance for this structure and it is anticipated that 100% of the \$1,950,000 construction costs, special inspection and outside engineering support estimated at \$150,000, up to \$350,000 for contingency, and \$30,000 for second floor earthquake repairs will be covered by the current insurance policy, less the deductible, and any possible non-earthquake related damage. Staff has previously negotiated with FEMA to pay the policy deductible.

Staff estimates \$186,000 for construction management and engineering support that is not reimbursed by insurance. Staff is requesting this cost be paid from available fund balance in the Accumulated Capital Outlay fund, partially offset by a return to the Accumulated Capital Outlay fund of \$172,289 from the Hall of Justice Electronic Valve project (Program 18004) that will not proceed.

Up until the end of the past Fiscal Year all earthquake costs and projects were located in the EQ subdivision in the General Fund. Starting in FY 2017-18 all the projects in the EQ subdivision were closed and new projects (including this one which is now in Program Q0490) were established in the Capital Improvement Project Division. This request for \$ 2,716,000 is required due to this accounting change which we have previously discussed with the Board on October 12, 2017. At that meeting, a budget transfer of \$165,000 was approved to increase appropriations for earthquake repairs completed on the second floor of the Hall of Justice to October 2017, and

staff reported that upon opening of bids for the remaining earthquake repair work, staff would return for approval of another budget transfer to cover that work as well as the balance of the second floor repairs completed after FY 2017-18.

Staff recommends award of a construction contract to the successful, responsive low bidder Arts Construction Company of Fresno, CA with a bid of \$1,950,000, and approval of Budget Transfer No. DPW049 for \$2,716,000 so this project can move into the construction phase.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Bret Prebula