



Board Agenda Item 38.1

DATE: November 6, 2018

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Declaration of Emergency Regarding the Flooding Incident at the Brix-Mercer Building

RECOMMENDED ACTION(S):

1. **Adopt Resolution acknowledging the emergency nature of the flooding incident at the Brix-Mercer Building; make a finding pursuant to County Administrative Policy 34 that unusual and extraordinary circumstances exist such that it is in the best interest of the County to suspend competitive bidding for, and ratify, all agreements, contracts, and other documents that the Director of Internal Services/Chief Information Officer (Director/CIO) approved and entered into for services, equipment, and supplies for the remediation and restoration of the Brix-Mercer Building.**
2. **Make a finding pursuant to County Administrative Policy 34 that unusual and extraordinary circumstances exist such that it is in the best interest of the County to suspend competitive bidding for, and authorize the Director/CIO to negotiate, approve, and execute all other agreements, contracts, and other documents necessary for the remediation and restoration of the Brix-Mercer Building , upon terms that he deems necessary and in the County's best interest, subject to approval as to legal form by County Counsel and as to accounting form by the Auditor-Controller/Treasurer-Tax Collector.**
3. **Authorize the Director/CIO to negotiate, approve, and execute a short term lease or leases (each lease not longer than 18 months; all leased spaces, combined, not to exceed 58,000 square feet in the aggregate; and all leases, combined, having rental payments not to exceed \$1,200,000 in the aggregate), upon terms that he deems necessary and in the County's best interest, for alternate office and clinic spaces for up to 200 Department of Public Health employees who have been displaced from the Brix-Mercer Building, subject to approval as to legal form by County Counsel and as to accounting form by the Auditor-Controller/Treasurer-Tax Collector.**
4. **Adopt Budget Resolution increasing the FY 2018-19 appropriations and estimated revenues for the Internal Services Department, Facility Services Org 8935 in the amount of \$6,000,000 (4/5 vote).**

Approval of recommended actions will authorize the Director of Internal Services/Chief Information Officer (Director/CIO) to timely obtain remediation and restoration of the Brix-Mercer Building (Brix-Mercer); such authorization also includes ratification of prior undertakings by the Director/CIO for obtaining the remediation and restoration. Such approval will also authorize the Director/CIO to negotiate, approve, and execute a short term (not to exceed 18 months) lease or leases for alternate office and clinic spaces for up to 200

displaced Department of Public Health employees, up to a maximum of 58,000 square feet. Such approval will additionally appropriate the estimated funds necessary for the services, equipment, supplies for such remediation and restoration of the Brix-Mercer, and alternate office and clinic spaces.

ALTERNATIVE ACTION(S):

There is no viable alternative action.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The first and second recommended actions suspend the customary competitive bidding process consistent with the "unusual or extraordinary circumstances" exception contained in Administrative Policy No. 34. This is consistent with the processes used for previous and similar remediation projects for emergencies. Purchasing has reviewed the request and concurs with the Department's request to suspend the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The County carries insurance coverage that limits the out-of-pocket deductible to a range of \$5,000 to \$25,000, depending upon which coverage applies to the claim. The deductible will be paid using insurance proceeds from the Risk Management Fund-Property Insurance Program. Facility Services will be responsible for paying all upfront costs beyond the deductible directly to each vendor. Those costs would then be submitted to Risk Management, which would process the reimbursement claim through the County's insurance carrier. Sufficient appropriations are available in the Interest and Miscellaneous Expenditures Org 2540 FY 2018-19 Adopted Budget to cover any unreimbursed amount. The current estimated costs of the remediation and alternate leased spaces is \$6,000,000. Approval of the fourth recommended action will increase the FY 2018-19 appropriations and estimated revenues in the amount of \$6,000,000 in the Internal Services Department, Facility Services Org 8935 to cover these costs.

Should additional funds be required, staff will return to your Board on a later date.

DISCUSSION:

On October 17, 2018, a City of Fresno water main broke outside the Brix-Mercer on the west side of the building that caused extensive water damage on multiple floors. The Brix-Mercer is approximately 141,000 square feet, with between 300-400 Department of Public Health (DPH) employees that perform both office and specialty clinic operations. The basement specifically was flooded by approximately 7-10 feet of water which submerged the mechanical systems in the building, rendering them inoperable. As the dominant occupant of the building, DPH was forced to vacate the entire building and relocate as many of its staff and business operations as possible into various County-owned and County-leased facilities. To prevent the potential for further damages, an emergency declaration was made by the Director of Internal Services/Chief Information Officer in conjunction with the County Administrative Officer which allowed service contractors to begin services immediately.

While a majority of DPH staff, approximately 300, were accommodated by various departments in various County facilities, these spaces are either at a maximum in regard to occupancy or are not appropriate spaces for select DPH units and business operations. This leaves approximately 100 DPH staff out of office and clinic space and unable to resume business operations.

Approval of the recommended actions will make the buildings operable again as quickly and efficiently as possible. They will allow the Director of Internal Services/Chief Information Officer to timely procure the necessary services and equipment to remediate and restore the Brix-Mercer. This includes procuring temporary alternate office and clinic spaces of County owned space not to exceed 18 months lease up to a

maximum of 58,000 square feet, subject to approval by County Counsel as to legal form and as to accounting form by the Auditor-Controller/Treasurer-Tax Collector. In addition, any costs that have been incurred, or are recommended to be incurred, by the County in this item, are subject to review and approval by the County's insurance carrier.

Short term rental space will be procured for select DPH units for approximately 6-10 months, or possibly longer up to 18 months if necessary, or until the mechanical systems and any other component of the building are deemed safe and functioning. Lastly, approval will also ensure Facility Services has sufficient funds necessary for these services.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request

On file with the Clerk - Resolution

On file with the Clerk - Budget Resolution

CAO ANALYST:

Yussel Zalapa