

TO: James L. App, City Manager
FROM: Joseph M. Deakin, Public Works Director
SUBJECT: Public Works Construction – Post Earthquake
DATE: January 20, 2004

NEEDS: For the City Council to consider options for construction related to earthquake remediation on City facilities, and direct staff accordingly.

- FACTS:**
1. The City suffered losses in the San Simeon Earthquake at many facilities:
 - City Hall parking lot - sulfur spring
 - City Hall/Library Building - cracks and exterior damage
 - Senior Center damaged walls and flooring (due to flooding)
 - Veterans Center – minor interior and exterior cracking
 - Centennial Park buildings and hardscape – cracks and interior damage
 - Carnegie Library – significant structural damage, red tagged
 - Wastewater Treatment Plant – damage to clarifier, asphalt road buckling
 - Lift Station #2 – damaged generator exhaust system
 - Golden Hills Reservoir #1 – significant structural damage, under assessment
 - Golden Hills Reservoir #2 – piping damage
 - Multi-Modal Facility – interior and exterior cracking
 - Airport Terminal, Fire Stations #1 and #2 – minor damage
 2. The City is operating out of the facilities deemed safe (excluding the Carnegie Library and Golden Hills Tank #1, both unsafe). The damage to the buildings is evident, and must be repaired to maintain building integrity.
 3. The City Purchasing and Payment Procedures provides for procurement practices that meet California Code requirements, and provide the City's own policies. The latest version of the Procedures provides for construction contracting by two methods under state guidelines:
 - Public Works Construction Act (formal bids, applicable to all projects over \$100,000)
 - UPCCAA (a less formal process, for projects under \$100,000)
 4. The City acted to provide for streamlined procurements following the earthquake by allowing the City Manager to act in cases of emergency to expedite procurements.
 5. The City has been declared a disaster area by the City, County, State and Federal governments. The City is therefore likely eligible for Federal Emergency Management Agency (FEMA) financial assistance. Documentation from the state and federal disaster relief agencies is forthcoming describing the processes the City needs to follow in order to assure the emergency mitigation costs will be reimbursed.

**ANALYSIS
AND**

CONCLUSION: The City is moving ahead with rebuilding damaged public facilities following the San Simeon Earthquake. Initial response provided for inspecting and stabilizing public facilities with minor to moderate impacts, and to red-tag buildings deemed unsafe for entry. Current work is aimed at restoring public facilities to pre-damage condition. The initial steps have been initiated to more closely observe repairs needs, estimate repair costs, and, in some cases, implement the repairs. The City needs to, first and foremost, maintain public services in this time of need.

The City is very mindful of the fiscal responsibilities present in time of disaster recovery. With the potential for state and federal financial aid for rebuilding public infrastructure, City staff is reviewing regulations and laws pertaining to proper procedure for project management and documentation to preserve the right to reimbursements should such financial aid come available. In this regard, there are options for the Council to consider with infrastructure repair.

The City facilities need repair work now. The typical Public Works Construction process requires multiple steps before construction can begin; a minimum process is 4 months. The process is further extended by the need, in most cases, to develop detailed plans and specifications, typically requiring either an engineer or architect to provide professional services. The work itself, such as the case with many of the damaged building the City owns, would likely take much less time to actually perform than to prepare for. It is conceivable that the City could repair most buildings with 60 days of actual work (without process delays). There is wording, however, in FEMA and OES guideline documents that lead staff to conclude that both agencies only allow some variance from established bidding practices and still qualify for reimbursement.

The City can avail itself of the UPCCAA process for projects under \$100,000. This process is streamlined from the Public Works Construction Act, and can lead to much quicker project execution. Process time can be trimmed to 3-4 weeks in instances where detailed engineered plans are not necessary. The OES documents appear to allow this manner of procurement, and the FEMA documents appear to as well. In both cases, staff is trying to get more definite response on this process being recognized as appropriate for reimbursements from both agencies.

Professional services (engineering design, geologic investigations, for example) are not treated the same as construction projects, and are exempt from the "bid" process. State and federal law recognize the need to evaluate professional service providers for more than price, and allow a much less formal process for selecting and contracting with professional service providers. The City's Purchasing and Payment Procedures specifies professional services exceeding \$10,000 will be procured after the department solicits "Requests for Qualifications" (RFQ) from at three qualified professional service providers." The Purchasing and Payment Procedures then requires City Council approval to authorize the professional service contract. Should the Council desire to expedite City facility repairs, the Council may consider adopting a resolution clearly exempting these requirements for professional services related to earthquake clean-up and repair work.

With the City Council's authorization for the City Manager to authorize contracts under the ongoing declared City emergency, it appears as though selecting professionals through sole-sourcing, or other streamlined processes, would meet FEMA and OES criteria for reimbursement.

POLICY

REFERENCE: Resolution 02-81 adopted on May 7, 2002

FISCAL

IMPACT: None

OPTIONS:

- A. Direct staff to preserve the City options to have repairs reimbursed by disaster relief agencies, by using established procurement procedures for construction projects, and adopt Resolution No. 04-xx exempting the City from the City Purchasing and Payment Procedures for acquiring professional services related to earthquake repair projects.
- B. Amend, modify or reject the above option.

Attachments:

- 1) Resolution

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
EXEMPTING THE CITY FROM THE CITY PURCHASING AND PAYMENT PROCEDURES FOR
ACQUIRING PROFESSIONAL SERVICES RELATED TO EARTHQUAKE REPAIR PROJECTS

WHEREAS, on May 7, 2002, the City Council adopted Resolution 02-81 describing City Purchasing and Payment Procedures; and

WHEREAS, the adopted City Purchasing and Payment Procedures specify, particularly under Section 9.0, that professional services in excess of \$10,000 will follow solicitation of at least three written qualification statements; and

WHEREAS, the adopted City Purchasing and Payment Procedures specify, particularly under Section 9.0, that professional services in excess of \$10,000 will further be contracted by City Council approval; and

WHEREAS, the San Simeon Earthquake caused significant damage to the City of Paso Robles, resulting in declarations of emergency from the City, County, State and Federal Governments; and

WHEREAS, the City is interested in expeditiously repairing public facilities damaged by the earthquake to resume full public services.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City Council of the City of El Paso de Robles does hereby authorize the City Manager to enter professional service agreements associated with earthquake projects up to \$50,000, and without requiring written solicitations to three potential service providers, from the date of the earthquake (December 22, 2003) until June 30, 2004, unless this resolution is repealed sooner.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 20th day of January 2004 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk