

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF AUTHORIZING) RESOLUTION NO. _____
USE OF AND MAKING CERTAIN)
DETERMINATIONS FOR AN OWNER)
CONTROLLED INSURANCE)
PROGRAM FOR THE AB900)
COMPONENT OF THE NORTHERN)
BRANCH JAIL PROJECT AND)
DELEGATING AUTHORITY FOR)
COUNTY EXECUTIVE OR DESIGNEE)
TO EXECUTE A MEMORANDUM OF)
UNDERSTANDING WITH CSAC)
EXCESS INSURANCE AUTHORITY)

WHEREAS, the County of Santa Barbara is recipient of an award of State of California Lease Revenue Bond financing intended to construct the Northern Branch Jail Facility in Santa Maria, California. Design of the AB900 component of the Northern Branch Jail is nearly complete and construction is scheduled to commence following final approvals; and

WHEREAS, state law allows local governments to implement an Owner Controlled Insurance Program (OCIP) for construction programs in excess of \$50 million as long as specified conditions are met and certain determinations are made; and

WHEREAS, the AB900 component of the Northern Branch Jail Project (NBJP), which includes constructing a roughly 139,000 square feet, 376 bed adult detention facility including support facilities, is estimated to cost in excess of \$50 million; and

WHEREAS, prospective bidders have been prequalified for the AB900 component of the Northern Branch Jail and meet the minimum occupational safety and health qualifications established to bid on the Project; and

WHEREAS, General Services and Risk Management consulted with insurance providers to analyze whether the use of an OCIP will minimize the expenditure of public funds on the Project in conjunction with the exercise of appropriate risk management; and

WHEREAS, use of an OCIP will minimize the expenditure of public funds on the project in conjunction with the exercise of appropriate risk management, based on the cost savings associated with economies of scale, contractor insurance credits and the program structure, and

WHEREAS, the OCIP maintains completed operation coverage for a term for which the Insurance Commissioner has determined that coverage is reasonably commercially available, but in no event less than three years, and

WHEREAS, the AB900 component of the Northern Branch Jail bid specifications will clearly specify for all bidders the insurance coverage provided under the OCIP and the minimum safety requirements that must be met, and

WHEREAS, use of the OCIP does not prohibit a contractor or subcontractor from purchasing any additional insurance coverage that a contractor or subcontractor believes is necessary to protect from any liability arising out of the contract, and

WHEREAS, the OCIP does not include surety insurance, and

WHEREAS, Risk Management has studied the Project and determined that an Owner Controlled Insurance Program for the Northern Branch Jail Project (AB900) will:

- Provide greater certainty of adequate insurance coverage for the potential risk involved in this project; and
- Reduce unnecessary cross actions and litigation because all parties are insured under the same policies; and
- Provide potential cost savings to the County.

NOW, THEREFORE, be it resolved by the Board of Supervisors of the County of Santa Barbara that:

1. The above recitals are true and correct; and
2. Use of an OCIP will minimize the expenditure of public funds on the Project in conjunction with the exercise of appropriate risk management; and
3. The Board certifies that all determinations required pursuant to Government Code § 4420 have been met for the Project.
4. The County Executive Officer, or designee, is authorized to execute a Memorandum of Understanding with CSAC Excess Insurance Authority and other documents necessary to implement an OCIP, and
5. Staff is directed to proceed with an OCIP, in compliance with the requirements of Government Code § 4420, for the AB900 component of the Northern Branch Jail and to include this information in the bid specifications; and
6. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this ____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair of the Board of Supervisors

[SEAL]

ATTEST:

MONA MIYASATO
Clerk of the Board of Supervisors

**APPROVED AS TO ACCOUNTING
FORM:**

ROBERT W. GEIS, C.P.A.,
Auditor-Controller

APPROVED AS TO FORM:

MICHAEL C. GHIZZONI,
County Counsel



APPROVED AS TO FORM:

RAY AROMATORIO,
Risk Manager
