



# Agenda Report

July 22, 2024

**TO:** Honorable Mayor and City Council

**FROM:** Department of Public Works

**SUBJECT: REJECTION OF BID FOR HALE BUILDING PHASE II PROJECT**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find that the recommended action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061(b)(3), the "Common Sense" exemption that CEQA only applies to projects that may have an effect on the environment.; and
2. Reject the sole bid received on May 2, 2024, in response to the Notice Inviting Bids for the Hale Building Phase II project.

## **BACKGROUND:**

The George Ellery Hale Building, located at 175 North Garfield Avenue, was constructed in 1929 for the Southern California Gas Company and later acquired by the City in 1986. After an extensive rehabilitation of the building in 1994, the Hale Building lobby was restored and became home to the City's Permit Center. Since then, minimal building and tenant improvements have been made to the facility. Currently, there is insufficient workspace and workstations to accommodate existing staff and building finishes are worn beyond their useful life and require replacement.

Phase I of the Hale Building Interior Remodel CIP project (71160) was completed in FY 2020. The first phase focused on the remodel of the second-floor office space currently occupied by Planning and Community Development. This also included space planning to accommodate additional staff, replacement of worn finishes and furniture, painting of interior walls, and installation of new electrical and low-voltage systems.

Phase II is a comprehensive remodel consisting of rehabilitating the interior of the Historic Permit Center including plan check counters and the reception area; remodel of the first floor back-of-house office areas including five private offices, 25 workstations, and the reconstruction of a new 70-person Public Hearing Room; and remodel of the third floor to

accommodate seven private offices, 17 workstations, a conference meeting room, and a break area.

The Department of Public Works prepared plans and specifications for the subject contract. Bids were requested and received in accordance with Section 4.08.070 of the Pasadena Municipal Code. On April 4, 2024, a Notice Inviting Bids for the Hale Building Phase II project was posted on OpenGov Procurement. The posting generated notices to all vendors who have previously registered with the City for this particular commodity class. A total of 62 vendors downloaded the specifications, of which one was local. One bid was received by the bid opening date on May 2, 2024, from a non-local vendor.

The submitted bid amount is \$3,404,963 and exceeds the Engineer's Cost Estimate by 14%, thereby significantly exceeding the project's \$3,000,000 budget. As such, staff concluded it is in the City's best interest for City Council to reject the current bid received as required by the Pasadena Municipal Code. Staff will subsequently revise the project plans and specifications to reduce and modify the scope of work to obtain more competitive bids for construction. The proposed office and bathroom reconfigurations on the first and third floor will be modified or reduced from the scope of work in coordination with staff from the Planning and Community Development Department who occupy the space. The updated construction documents will be readvertised in Fall 2024 to solicit competitive bids.

**COUNCIL POLICY CONSIDERATION:**

This proposed action is consistent with the City Council Strategic Planning Goal to maintain fiscal responsibility and stability.

**ENVIRONMENTAL ANALYSIS:**

This action is exempt from the CEQA in accordance with Title 14, Chapter 3, Article 19, Section 15061(b)(3), the commonsense exemption that CEQA only applies to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action.

Respectfully submitted:



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Prepared by:



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Approved by:



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