



# Agenda Report

June 10, 2024

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Public Works  
**SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACT WITH MACKONE DEVELOPMENT INC. FOR PUBLIC HEALTH BUILDING TENANT IMPROVEMENTS PROJECT FOR AN AMOUNT NOT-TO-EXCEED \$294,776**

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Find the contract proposed herein to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Title 14, Chapter 3, Article 19, Section 15301, Class 1 – Existing Facilities, and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
2. Authorize the City Manager to enter into a contract with Mackone Development, Inc. for the Public Health Building Tenant Improvements project for an amount not-to-exceed \$294,776 which includes the base contract amount of \$263,193, and contingency of \$31,583 to provide for any necessary change orders. Competitive bidding is not required pursuant to City Charter Section 1002(H), contracts with other government agencies or their contractors for labor, materials, supplies or services; and
3. Grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

## **BACKGROUND:**

In May 2021, Central Library was closed to the public due to structural deficiencies. As a result, the Library's collection has been transferred to several locations throughout the City including Jefferson School, Rose Palace, and various library branches to maintain public access. In order to properly store Central Library's historic archival collection, a secured and climate-controlled location is necessary. To accommodate this need, staff has identified the existing non-functioning laboratory space in the basement at

Pasadena Public Health (PPH) Building, located at 1845 N. Fair Oaks Avenue, to store Central Library's historic archival book collection.

The project scope of work includes converting the 1,435-square-foot unused laboratory space in the basement of the Public Health building into usable storage space for an estimated duration of five years, until Central Library undergoes the necessary earthquake retrofit repairs and re-opens. The tenant improvements include removal of the former laboratory's cabinetry; modifications to the existing electrical and plumbing systems; and upgrades to the HVAC system. In addition, shelving systems will be purchased and installed under this contract.

Sourcewell is a public government agency created specifically by the Minnesota legislature as a local unit of government (under Minnesota Constitution, article XII, section 3). Sourcewell operates as a service cooperative and acts as a national municipal contracting agency which establishes and provides nationally leveraged and competitively solicited construction contracts that can be utilized by member agencies such as the City of Pasadena. On September 12, 2023, Sourcewell issued a Notice of Solicitation for Proposals for Indefinite Delivery-Indefinite Quantity Construction Contracts. Forty-six submissions were received and evaluated by the Sourcewell selection committee. Submissions were evaluated based on a responsive bid, lowest overall cost and competitive range for their adjustment factor. The process undergone by Sourcewell has resulted in competitive pricing. Mackone Development Inc. was awarded a contract on December 6, 2023.

On April 9, 2024, Gordian, acting as a program administrator for Sourcewell, submitted Mackone Development, Inc.'s proposal for the Public Health Building Tenant Improvements project. Mackone Development, Inc., located in Los Angeles, has agreed to extend the contract prices, terms, and conditions under Sourcewell Contract CA-R8-GB-101723-MDI to the City.

The proposed contract fully complies with the Competitive Bidding and Living Wage Ordinances. The contractor has indicated the awarding of this contract will result in no new hires to the present workforce. In accordance with the Local Preference provisions of the contract, the contractor is encouraged to recruit Pasadena residents initially and to give them preference, if all other factors are equal, for any new positions generated from this contract.

The contract will be set up as follows:

Base Bid	\$ 263,193
Contingency	<u>\$ 31,583</u>
Contract Not-to-Exceed Amount	\$ 294,776

A contingency of 12 percent is allocated to this contract given possible unforeseen conditions that may be encountered. It is anticipated that construction will begin in August 2024, and the work will be completed in October 2024.

**COUNCIL POLICY CONSIDERATION:**

This contract is consistent with Land Use Element Policy 16.1 (Commitment) by providing human and community services to all sectors of the City's population in an equitable manner; and Policy 16.7 (Shared Facilities) to encourage the sharing of facilities between various public service providers, as well as those offered by private entities, such as the joint use of school play areas for recreation, school facilities for child and after school day care, and libraries for civic and cultural events

**ENVIRONMENTAL ANALYSIS:**

The contract award has been determined to be categorically exempt under the CEQA Guidelines in accordance with Title 14, Chapter 3, Article 19, Section 15301, Class 1, minor alterations of existing public facilities involving negligible or no expansion of use beyond that previously existing at the time of the lead agency's determination. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

**FISCAL IMPACT:**

As part of the June 10, 2024, amendments to Fiscal Year 2024 Capital Improvement Program agenda report, \$200,000 is recommended for appropriation to the *Public Health Building Tenant Improvements (71920)* CIP project and increasing the budget by a like amount. With the approval of this amendment, there will be sufficient budgeted appropriations in the *Public Health Building Tenant Improvements (71920)* CIP project to award the subject construction contract.

The total cost of this construction contract including contingency is \$294,776 and the total cost of this action is not-to-exceed \$329,776. It is anticipated that all costs will be expended in FY 2025.

The following table represents a contract summary.

Base Bid	\$	263,193
Contingency	\$	31,583
Contract Administration/Inspection	\$	35,000
<b>Total Fiscal Impact</b>	\$	<b>329,776</b>

Respectfully submitted,



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Director of Public Works

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Approved by:



MIGUEL MÁRQUEZ  
City Manager