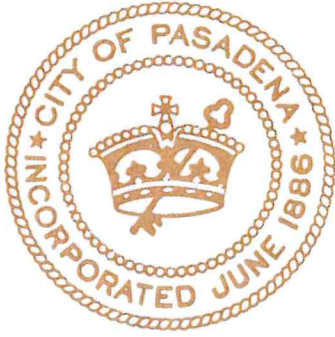




Agenda Report

August 24, 2026

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Public Works

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ELEGANT CONSTRUCTION, INC. FOR CONSTRUCTION OF A PREFABRICATED STEEL STRUCTURE AND SITE WORK AT THE POLICE DEPARTMENT HELIPORT FACILITY FOR AN AMOUNT NOT TO EXCEED \$1,641,875 AND AMENDMENT TO THE FISCAL YEAR 2027 CAPITAL IMPROVEMENT PROGRAM BUDGET

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, Section 15302, Class 2 – Replacement or Reconstruction, and Section 15303, Class 3 – New Construction or Conversion of Small Structures, and that there are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances;
2. Award contract to the lowest and best bid dated June 1, 2026, submitted by Elegant Construction, Inc. in response to the bid specifications for Construction of Prefabricated Steel Structure and Site Work project, and authorize the City Manager to enter into a contract for a total not-to-exceed amount of \$1,641,875 which includes the base contract amount of \$1,491,875 and a contingency of \$150,000 to provide for any necessary change orders;
3. Amend the Fiscal Year (FY) 2027 Capital Improvement Program Budget by appropriating \$900,000 from the unappropriated fund balance in the Public Safety Augmentation Fund 202 to the Mobile Operations Center (71919) project; and
4. Authorize the City Manager to approve within the contract authority, amendments to the subject contract including durational extensions.

BACKGROUND:

The Pasadena Police Department's Air Operations Section (Air Ops) was established in 1969 and is one of the oldest airborne law enforcement programs in the United States. Air Ops operates from a dedicated four-acre heliport facility located at 2175 North Yucca Lane and provides aerial law enforcement support to the City of Pasadena, regional mutual aid partners, and participating agencies throughout the San Gabriel Valley. Air Ops also supports the Los Angeles Interagency Metropolitan Police Apprehension Crime Taskforce through the assignment of dedicated Pasadena personnel.

The heliport serves as an important public safety asset supporting airborne law enforcement operations, regional mutual aid response, emergency management activities, and specialized public safety missions throughout Pasadena and the surrounding region.

The heliport currently contains two aircraft hangars. The primary hangar accommodates the Department's helicopter fleet and maintenance operations. A secondary 2,400-square-foot steel arch hangar provides storage space for one additional helicopter and related equipment.

The existing steel arch hangar has reached the end of its useful life and no longer adequately supports the operational needs of Air Ops. In FY 2023, the City acquired a new Mobile Command Center to replace an obsolete unit. Additionally, the Department has procured two new Bell helicopters scheduled for delivery early next year. The existing facility lacks sufficient enclosed space to accommodate these assets and associated aviation equipment, resulting in operational limitations and storage constraints. Replacement of the existing hangar is necessary to support current and future Air Operation's needs.

The scope of work under this contract consists of demolition of the existing 2,400-square-foot steel arch hangar and construction of a new approximately 5,000-square-foot prefabricated steel aircraft hangar and supporting foundation system, together with associated site, utility, fire protection, accessibility, and infrastructure improvements necessary to support operation of the replacement facility. The City previously procured the prefabricated steel building system and aircraft hangar door package, which have since been fabricated and delivered.

Plans and specifications were prepared by the Department of Public Works and its consultants, including Swift Lee Office, Inc. and Jensen Hughes, and were developed in close coordination with Pasadena Police Department staff to ensure the replacement facility meets the current and future operational needs of the Air Operations Section. In accordance with Section 4.08.060 of the Pasadena Municipal Code, bids were solicited through OpenGov Procurement. On April 29, 2026, a Notice Inviting Bids was posted and distributed to registered contractors. A total of 78 prospective bidders downloaded the bid documents, four were local. A total of eight bids were received by the June 1, 2026, bid opening date, including one bid submitted by a local contractor.

During project development, the design evolved in response to current building code requirements, operational needs identified by Pasadena Police Department staff, and site infrastructure improvements necessary to support the replacement facility. These requirements, combined with significant escalation in construction material and labor costs since the project was originally programmed, contributed to bid prices exceeding the available construction budget. Despite the increased costs, the project remains necessary to accommodate the Police Department's aircraft fleet, provide storage for the Mobile Command Center, and support the continued operations of the Air Operations Section. In addition, the prefabricated steel hangar structure and aircraft door system have already been procured, fabricated, and delivered, making completion of the site and building construction work necessary to realize the City's prior investment and place the facility into service.

Following advertising, bids were electronically received on June 1, 2026, and are as follows:

<u>Bidder</u>	<u>Amount (\$)</u>
1. Elegant Construction, Inc., Irvine, CA	\$ 1,491,875
2. G2K Construction, Inc., Agoura Hills, CA	\$ 1,512,998
3. Urban Professional Builders, Inc., Pasadena, CA	\$ 1,571,750
4. SBS Corporation General Contractors, Camarillo, CA	\$ 1,761,750
5. MLC Constructors, Inc., Corona, CA	\$ 1,977,900
6. Moalej Builders, Inc., Newport Beach, CA (non-responsive)	\$ 2,091,750
7. Warner Constructors, LLC, Glendale, CA (non-responsive)	\$ 2,421,621
8. Axiom Group, Los Angeles, CA	Withdrew Bid

The Axiom Group submitted the apparent low bid; however, the firm subsequently requested withdrawal of its bid due to a clerical error in its pricing proposal. In accordance with applicable bidding procedures, the request was reviewed and approved. Additionally, two bids were determined to be nonresponsive due to the bidders' failure to provide the required bid bond.

When the project was originally programmed in 2022, it was limited to demolition of the existing aircraft hangar, construction of a replacement hangar, and associated paving improvements. As the design advanced, additional regulatory requirements, operational enhancements, and supporting site infrastructure improvements were incorporated into the project. These included fire protection improvements, ADA accessibility upgrades, Low Impact Development (LID) stormwater features, public right-of-way improvements, security system upgrades, and other infrastructure necessary to deliver a complete and code-compliant facility.

These scope refinements, together with construction labor and material cost escalation since the project was originally programmed, resulted in construction bids that exceeded the available budget. Staff recommends awarding the contract rather than rejecting all

bids and rebidding the project. The two lowest responsive bids were within approximately 1.4 percent of each other, indicating competitive market pricing. Staff does not anticipate rebidding would result in lower pricing under current market conditions. Additionally, the prefabricated hangar and aircraft door system have already been procured and delivered, and the replacement facility is needed to support the Police Department's expanding aviation operations and Mobile Command Center. Rebidding would delay construction, increase schedule risk, and postpone completion without a reasonable expectation of reducing project costs.

An additional appropriation of \$900,000 from the Public Safety Augmentation Fund is required to fully fund completion of the project. The requested funding will cover the construction funding shortfall, provide construction contingency for unforeseen conditions, and fund construction management and project administration through completion.

It is recommended that Elegant Construction, Inc. be awarded the contract for this project as they are the lowest and best bidder. The proposed contract with Elegant Construction, Inc. fully complies with the Competitive Bidding and Living Wage Ordinances and with the Prevailing Wage Law (Senate Bill 7) per Resolution 9406 adopted by the City Council on December 14, 2014.

The contractor has not yet indicated whether the award of this contract will result in any additions to its current workforce. However, the contractor has been encouraged to recruit Pasadena residents initially and to give them preference, if all other factors are equal, for any new positions created as a result of this contract, in accordance with the Local Preference provisions of the contract.

Elegant Construction, Inc. has previously completed contracts totaling \$260,286 for the City. Staff have confirmed the contractor's license, and their Department of Industrial Relations status is in good standing. The contractor received favorable reference checks from other agencies.

The contract will be set up as follows:

Base Bid	\$ 1,491,875
<u>Contingency</u>	<u>\$ 150,000</u>
Contract Not-to-Exceed Amount	\$ 1,641,875

A contingency of 10 percent is intended to provide flexibility to address unforeseen field conditions and design adjustments that may be necessary to maintain the project schedule and avoid construction delays. Any unused contingency funds will be returned to the project balance upon completion. Construction is anticipated to begin in August 2026 and be completed in February 2027.

COUNCIL POLICY CONSIDERATION:

This project is consistent with the City Council's goal to improve, maintain, and enhance public facilities and infrastructure. It also supports the Public Facilities Element of the General Plan by maintaining public facilities to enhance the quality of life of the community.

ENVIRONMENTAL ANALYSIS:

The contract award has been determined to be categorically exempt under the California Environmental Quality Act (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, Section 15302, Class 2, replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, and Section 15303, Class 3, construction and location of limited numbers of new, small facilities or structures. The proposed project consists of demolition and replacement of a storage hangar. There would be no expansion of use; the new hangar would be used for the same purpose as the existing hangar, providing for more effective and efficient helicopter and vehicle storage. There are no features that distinguish this project from others in the exempt class and, therefore, there are no unusual circumstances.

FISCAL IMPACT:

This action will increase the appropriation for the *Mobile Operations Center* (71919) CIP project by \$900,000, raising the total project budget from \$3,400,000 to \$4,300,000. The increased appropriation will be funded by the Public Safety Augmentation Fund (202). The cost of this contract including contingency is \$1,641,875 and the total cost of this action will be \$1,764,000. It is anticipated that all costs will be expended in FY 2027. The total project is funded through a combination of Asset Forfeiture Funds, General Fund appropriations, Public Safety Augmentation Funds, and Supplemental Law Enforcement Funds. The project will have no additional impact on the General Fund beyond the funds previously budgeted for the project.

The following table represents a project summary.

Base Bid	\$ 1,491,875
Contingency	\$ 150,000
Construction Administration, Material Testing, and Inspection	\$ 122,125
Total Fiscal Impact	\$ 1,764,000

Respectfully submitted,



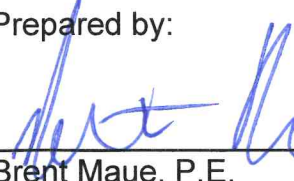
GREG DE VINCK, P.E.
Director of Public Works

With concurrence,



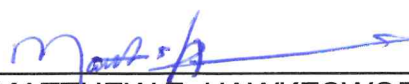
GENE HARRIS
Chief of Police

Prepared by:



Brent Maue, P.E.
City Engineer

Approved by:



MATTHEW E. HAWKESWORTH
Interim City Manager