# Agenda Report

November 10, 2026

**TO:** Honorable Mayor and City Council

**FROM:** Department of Finance

**SUBJECT:** **AUTHORIZE THE CITY MANAGER TO AMEND CONTRACT NO. 33232 WITH JJ KANE ASSOCIATES INC.AND INCREASE THE NOT-TO-EXCEED AMOUNT TO $700,000 FOR AUCTIONEERING SERVICES**

## RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required;

2. Authorize the City Manager to amend Contract No. 33232 with JJ Kane Associates, Inc. doing business as JJ Kane Auctions (JJ Kane) for Auctioneer Services increasing the contract amount by $450,000, thereby increasing the total not-to-exceed amount from $250,000 to $700,000; Competitive Bidding is not required pursuant to the City Charter Section 1002(F), contracts for professional or unique services;

3. Authorize the City Manager to salvage property of a reasonable value in excess of $25,000 for the duration of this contract with JJ Kane; and

4. Grant the proposed amendment an exemption from the Competitive Selection process pursuant to the Pasadena Municipal Code Section 4.08.049(B), contracts for which the City's best interests are served.

## BACKGROUND:

Pasadena Municipal Code (PMC) Chapter 4.04 identifies public auction as one of the authorized methods for disposing of surplus City property that is no longer needed for City operations but retains financial value. The Salvage Ordinance is administered by the Purchasing Division of the Department of Finance. To support this responsibility, the City contracts with a qualified auctioneer capable of providing the services necessary to prepare, market, and sell surplus property through public auction.

On December 4, 2024, the Department of Finance released Request for Proposals (RFP) No. 2025-RFP-0001 through the City's eProcurement portal for auctioneer services of City property. The original contract authority of $250,000 was approved by the City Manager for a five (5) year term based on historical revenue collected in the prior contract, and the City's anticipated volume and value of routine surplus-property auctions.

PMC Section 4.04.202(C) requires City Council authorization for the sale of salvage property valued over $25,000. This year, the City expects to salvage several high-value items, including over 80 fleet replacement which may include trash and fire trucks, ambulances, and a helicopter. In December 2025, the City Council approved the purchase of two new Bell 505 helicopters. At that time, the sale of the existing MD helicopter was not anticipated. This aircraft is significantly different in type and value from the items typically processed through the City's salvage program. Selling the fleet replacement items and helicopter supports the City's goal of reducing the fleet and eliminating operating costs. A recent appraisal estimates the sale will generate approximately $1,250,000, less the auctioneer's commission. Because the sale will cause the vendor's total commission to exceed the current $250,000 contract authority, an increase is needed. Expanding the authority will ensure staff can access the necessary services to reach qualified buyers and maximize the City's return while maintaining the competitively established commission rate.

Additionally, to expedite disposal of salvage property and receive maximum compensation for the items, it is recommended that the City Council authorize the City Manager to salvage items in excess of $25,000. This would create efficiency in the salvage process by ensuring prompt sales and free up storage space. Staff, therefore, recommend increasing the contract by $450,000, for revised not-to-exceed amount of $700,000. The requested amendment does not extend the contract term and does not change JJ Kane's 15% commission rate or the scope and performance requirements established through the competitive selection process.

## COUNCIL POLICY CONSIDERATION:

The proposed action is consistent with the City Council's Strategic Plan Goal to maintain fiscal responsibility and stability. By contracting public auction services, the City ensures compliance with PMC 4.04 requirements and secures maximized return from asset liquidation, contributing to prudent fiscal stewardship and turnover of unused property.

## ENVIRONMENTAL ANALYSIS:

The proposed action is for the purchase of auctioneer services for the City to allow for ongoing auctioneer services for all City surplus property. The proposed contract has been determined to be exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section15061(b)(3), the general rule that CEQA applies only 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:**

If approved, this increase to the contract will be revenue generating based on the public auction of City surplus property. There is no cost associated with the award of this contract. During the lifecycle of the contract, the estimated revenue to the City is approximately $2,500,000.

Respectfully submitted,

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