

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: December 14, 2023

PREPARED BY: Lucero Leyva, Project Manager  
Eric Ceja, Director of Economic Development

REQUEST: APPROVE AMENDMENT NO. 1 TO CONTRACT NO. C44740 WITH  
PREST-VUKSIC-GREENWOOD ARCHITECTS (PVGA)

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## **RECOMMENDATION:**

1. Approve Amendment No. 1 to Contract No. C44740. with PVGA, extending term one additional year and in the amount of \$165,000.
2. Authorize the Finance Director to increase contingency to a total amount of \$38,000.
3. Authorize the City Attorney to make any necessary, nonmonetary changes to the agreement.
4. Authorize the City Manager to review and approve written contract amendment requests, per Section 3.30.170 of the Palm Desert Municipal Code.
5. Authorize the City Manager to execute the amendment and documents necessary to effectuate the actions taken herewith

## **BACKGROUND/ANALYSIS:**

Below is a timeline of approvals associated with this project and contract:

- October 28, 2021 – City Council awarded PVGA a \$118,500 contract that included the design and entitlement phase of the Visitor Center project.
- June 23, 2022 – City Council approved additional services be added to the contract with PVGA to include, construction drawings, CEQA Documentation, engineering services and other services associated with the final design and construction of the new visitor center. This brought PVGA's contract total to \$227,000.
- January 26, 2023 – Staff requested and received approval to enter into a new contract with PVGA to complete the outstanding items outlined in the original agreement (Contract No. C42290) and to extend the contract timeline by one year, to October 2023.
- The Discover Palm Desert Visitor Center was approved by the planning commission on July 17, 2023, completing the entitlements phase for the project.

The current contract presumed that the civil engineer, landscape architect, and geotechnical engineer would be retained by the City. Per staff direction, these additional services along with other miscellaneous services have been retained and managed by PVGA which has created a shortfall in their contract. Additionally, reimbursement was approved with the contract, but an amount was not accounted for within the current contract amount.

As part of their deliverables, PVGA provided conceptual drawings and renditions of the new visitor center that were presented to City Council for approval. One of the major features of the building and site are the petal shade structures. These shade petals were originally presented as part of the conceptual art package for the building. However, to ensure that these elements

are installed along with the completion of the building, staff has requested that this work be included in the construction documents that would go out to bid. The shade structure design package is estimated to cost an additional \$44,000.

In order to capture the additional services being provided by PVGA, staff is requesting the approval of Amendment No. 1 which would include the following:

Description	Amount
Civil Engineer	62,400
Landscape Architect	38,000
Misc Services (Art Package, ADA, etc)	5,000
Petal Structure Package	44,000
Reimbursable	15,600
<b>Total Amendment No. 1</b>	<b>\$165,000</b>

Additionally, staff is requesting an increase of the contract contingency to a cumulative amount not to exceed \$38,000. Staff recommends the approval of Amendment No. 1 to Contract No. C44740 with PVG. Staff considers the additional services listed above, specifically the petal structure package, essential to presenting the City Council with the most accurate information regarding the cost impact of this project.

### **Project Estimate**

PVG architects submitted the construction documents for city plan check review in September 2023. Given the level of completeness of the construction documents, staff contracted with MAAS to create an updated construction cost analysis and schedule for this project. MAAS estimates approximately \$10.4 million dollars for the construction of the current project design. They also are assuming an estimated 14-month construction schedule with an additional 3 to 4 months to allow for the procurement of long lead items like the new building's switchgear.

The table below depicts city staffs updated project budget with the updated construction costs:

Expenses	Amount
Design	\$ 500,000.00
Construction	\$ 10,400,000.00
Construction Contingency	\$ 1,040,000.00
Inspections & Fees	\$ 520,000.00
FFE&OSE	\$ 312,000.00
<b>Est. Project Total</b>	<b>\$ 12,772,000.00</b>

Currently, the city's budget for this project is \$3 million dollars. With the new estimated construction costs of \$10.4 million and the other estimated project expenses listed above totaling \$12.8 million, **this leaves an unfunded shortfall of approximately \$9.8 million.**

### **Visitor Service Location Options**

City of Palm Desert  
 Approve Amendment No.1 to Contract No. C44740 with PVG

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Given the increase in the estimated project’s costs and budget shortfall, staff has gathered some options to continue to offer visitor services if the City Council opts to forgo the current Discover PD design. Below are various locations along with preliminary cost estimates and a listing of constraints and opportunities:

Location	Cost	Constraints/Opportunities
Existing Space	N/A	* Established location, known to the public * No/limited financial investment * No weekend/off-hour use * Could be stopgap until other solutions identified
Henderson Building	Depends on staffing level and agreement with PDCC	* Near former Visitor Services Location * Joint Use/Operation with PDCC * Modify lease and establish agreement with PDCC * Potential weekend/off-hour use
Parkview Building	Depnds on outfit of existing suites	* Proximity to City Hall and Civic Center Campus * Office building * Future building improvements could interupt operations * Potential weekend/off-hour use
Commercial Core (San Pablo, HWY 111, El Paseo)	\$12 - \$42 / SF/YR	* Expensive option * Location and apperance important which will drive-up cost * TI Costs * Weekend/off-hour use
Future Library	Costs would be included with any new library operation	* Joint operation/use in a single building * Same hours as library * Similar operations as Library

**FINANCIAL IMPACT:**

Funds for Amendment No.1 and the contingency increase, totaling \$180,300, are available in Account No. 4514419-4400100 therefore there is no impact to the General Fund with this action. The project in its entirety is currently projected to be unfunded by approximately \$9.8 million.

Contract	Amount	Proposed Increase	Total
C44740	\$227,000	\$165,000	\$392,000
Contingency	\$22,700	\$15,300	\$38,000
<b>TOTAL</b>	<b>\$249,700</b>	<b>\$180,300</b>	<b>\$430,000</b>

**ATTACHMENTS:**

1. Original Contract
2. Proposed Contract Amendment No. 1