

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: December 14, 2023

PREPARED BY: Lucero Leyva, Project Manager

REQUEST: AWARD CONTRACT TO THE VAN DYKE CORPORATION AND APPROPRIATE FUNDS FOR THE SECTION 29 RETENTION BASIN IMPROVEMENTS AND EXPANSION (PROJECT CDR0004) IN THE AMOUNT NOT TO EXCEED \$4,630,291.40.

RECOMMENDATION:

1. Make a finding that the project is categorically exempt from further review under the California Environmental Quality Act guidelines, Class 2 of section 15302, and authorize the consultant to submit a Notice of Exemption.
2. Award Contract No. C46150 in the amount of \$4,630,291.40 to The Van Dyke Corporation of Twentynine Palms, CA, for the Section 29 Retention Basin Improvements and Expansion (Project CDR00004).
3. Authorize the Director of Finance to set aside a contingency in the amount of \$463,029.14 for unforeseen conditions.
4. Authorize the Director of Finance to appropriate \$3,000,000 from Benefit Assessment District No. 1 (Section 29) unobligated fund balance to Account No. 2894374-5000455, as well as an additional \$1,900,000 from the Restricted Capital Project fund balance to Account No. 4514374-5000455.
5. Authorize the City Manager to review and approve written requests for the use of contingency per Section 3.30.170 B of the Palm Desert Municipal Code.
6. Authorize the City Attorney to make any necessary, nonmonetary changes to the agreement.
7. Authorize the City Manager to execute the agreement and any documents necessary to effectuate the actions taken herewith.
8. Authorize the City Manager to execute the Notice of Completion (NOC) and the City Clerk to file the NOC upon satisfactory completion of the Project.

BACKGROUND/ANALYSIS:

On March 25, 2022, Staff engaged HR Green to complete an assessment of the Section 29 Retention Basin. That analysis concluded that based on the current physical capacity of the retention basin of 45.4 ac-ft, an additional 16.3 ac-ft of retention volume was needed to reduce the threat of overflow and provide the full storage needed for the 100-year storm event.

HR Green's contract was expanded to include the design of the improvements and expansion of the Section 29 Retention Basin. The HR Green team provided staff with three alternative designs, which included anticipated timelines and estimated costs. Staff reviewed the design and shared it with other City departments like Public Works and Planning before proceeding with the current design as it best fits the City's budget and timeline.

CEQA Exemption:

Terra Nova is the City’s CEQA consultant on this project and it has been determined that the project is categorically exempt from CEQA under Class 2 (Section 15302, “Replacement or Reconstruction”) under the CEQA guidelines as the project involves maintenance of existing capacity while providing a connection to the mid-valley channel at the eastern end and the improvements of the channel and both eastern ponds are within the boundaries of the Millenium Palm Desert Specific Plan (adopted 2015). Staff recommends the City Council approve these findings.

Request for Bids:

City Staff advertised the project on November 6, 2023, via OpenGov and received the following bids by the December 4, 2023, deadline:

| Contractor | Location | Total Bid |
|--------------------------------------|------------------------|------------------|
| Contera Construction Corporation | Temecula, CA | \$4,967,073.98 |
| Empire Equipment Services, Inc | Mira Loma, CA | \$5,150,462.06 |
| Granite Construction Company | Indio, CA | \$6,289,000.00 |
| I E General Engineering Inc | Beaumont, CA | \$6,668,257.50 |
| Ortiz & Son, Inc. | Buena Park, CA | \$5,657,490.50 |
| Riverside Construction Company, Inc. | Riverside, CA | \$6,498,440.00 |
| The Van Dyke Corporation | Twentynine Palms, CA | \$4,630,291.40 |
| Tri-Star Contracting II, Inc. | Desert Hot Springs, CA | \$5,788,606.00 |

The engineer’s estimate for construction is \$4,500,000. Staff reviewed the bids received and determined Van Dyke Corporation was the lowest responsible bidder. References were contacted, and they confirmed the contractor has successfully completed projects of similar scope, within budget and schedule.

Staff recommends awarding the contract to the Van Dyke Corporation in an amount no to exceed \$4,630,291.40.

FINANCIAL IMPACT:

The funding breakdown for the project is as follows:

| Fund | Account Number | Approved Budget | Additional Budget Request |
|-------------------------------|-----------------------|------------------------|----------------------------------|
| Drainage Facility | 2324370-2000455 | \$500,000 | |
| BAD No. 1 (Sec 29) | 2894374-5000455 | | \$3,000,000 |
| Restricted Capital Project | 4514374-5000455 | | \$1,900,000 |
| Total Combined Budget: | | | \$5,400,000 |
| Contract Award: | | | (\$4,630,291) |
| Contingency: | | | (\$463,029) |
| Remaining Budget: | | | \$306,680 |

ATTACHMENTS:

1. Agreement and Bonds
2. Contractor's Proposal
3. Vicinity Map
4. CEQA-Notice of Exemption