

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: January 9, 2025

PREPARED BY: Lucero Leyva, Senior Project Manager  
Ryan Gayler, Capital Projects Manager

SUBJECT: AWARD CONSTRUCTION CONTRACT FOR PROJECT CFA00010 FIRE  
STATION 102 NEW BUILD AND ONSITE IMPROVEMENTS

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## **RECOMMENDATION:**

1. Find the bids submitted by TBSC System Alarms, Inc., and Keystone Builders, Inc., to be non-responsive.
2. Award Construction Contract in the amount of \$14,838,686 to Caliba, Inc., of Stanton, CA, for the Fire Station 102 – Onsite Improvements Project CFA00010.
3. Authorize the Director of Finance to set aside a contingency in the amount of \$1,484,000.
4. 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
5. Authorize the Director of Finance to appropriate \$16,000,000 from Fire Fund 230, Unobligated Funds to account 2304220-4400200, Fire Fund Capital Projects.
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:**

In 2021, the City Council authorized staff to retain The Matrix Consulting Group to conduct a Fire Station Location Study for the City of Palm Desert. On February 14, 2022, staff presented the Matrix Study findings to the City Council, which concluded that unit utilization and call volumes were high in Stations 71 and 33, negatively impacting response times. It was recommended that the City plan and construct a fourth fire station just north of the intersection of Gerald Ford Drive and Frank Sinatra Drive to better serve the existing and developing communities around it. The Fire Station 102 – New Build and Onsite Improvements Project CFA00010 design contract was awarded to PBK Architects on January 26, 2023. Since its award, the following actions have been taken in support of this effort:

- January 9, 2024 – The Architectural Review Committee approved the design package of Fire Station 102
- February 6, 2024 – The Planning Commission approved the project's entitlement package
- June 10, 2024 – PBK initiated the plan review process with the Planning and Building and Safety Departments
- November 7, 2024 – Chief Building Official approved the Fire Station 102 building plans

City of Palm Desert  
Award Contract for Project CFA00010 Fire Station 102 New Build and Onsite Improvements

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Request for Bids:

City staff advertised the project on November 7, 2024, via the City’s procurement site, OpenGov. The following bids were received on December 17, 2024, at 2 pm:

Contractor	Location	Total Bid
TBSC System Alarms, Inc.	Palm Desert, CA	\$25,000
Keystone Builders, Inc.	Anaheim, CA	\$10,856,000
Caliba, Inc.	Stanton, CA	\$14,838,686
Oakview Constructors, Inc.	Calimesa, CA	\$15,568,000
FEC Future Contractors and Engineers, Inc.	Irvine, CA	\$15,787,262
RC Construction Services	Redlands, CA	\$16,180,919

The construction manager's estimate for the construction of Fire Station 102 is \$12,000,000. Staff reviewed all the bids submitted and determined that TBSC System Alarms bid was disqualified due to providing an incomplete bid package. Keystone Builders notified City staff on December 18, 2024, of their request to withdraw their bid proposal citing Public Contract Code 5103. The contractor stated that an error was made in filling out the bid, making their bid materially different than intended. Legal counsel has reviewed the letter and recommended that the request be approved, making the bid non-responsive.

The fourth lowest bidder, Oakview Constructors, Inc., submitted a protest letter asserting that Caliba, Inc.’s bid should be found non-responsive, claiming that Caliba lacks the necessary specialty license for certain parts of the project work. However, after reviewing the protest letter and Caliba's response, our City attorney’s office has determined that Caliba holds a Class B license, which is sufficient for self-performing the specialty work. Additionally, Caliba has confirmed that they do not plan to use a subcontractor for the specialty work.

Given this information, Oakview's protest lacks merit, as Caliba, Inc. meets the necessary licensing requirements for the project. Therefore, based on the review, Caliba’s bid should be considered responsive.

City staff contracted with Anser, one of the City’s on-call construction management vendors, to review and analyze the bid package submitted by Caliba, Inc. Upon completing their review, Anser agreed that Caliba, Inc., was the lowest responsive bidder. References were contacted, and they confirmed that the contractor has successfully completed projects of similar scope, within budget and on schedule.

Staff recommends awarding the contract to Caliba, Inc., in the amount of \$14,838,686.

**Strategic Plan:**

This project will allow the city to meet the “Public Safety & Emergency Service – Priority 1: Enhance the delivery of public safety services” of the strategic plan.

**Legal Review:**

This report has been reviewed by the City Attorney’s Office.

**FINANCIAL IMPACT:**

Funds for this project were included in the Fiscal Year 2024/25 Capital Improvement Project (CIP) Budget, however, staff requests appropriations from the Fire Fund to prioritize the appropriate funding source. The contract to construct the new fire station will not utilize general fund dollars. However, the ongoing costs associated with the operation and maintenance of Fire Station 102 are an estimated \$38 million over the next five years.

The following table provides the current project budget:

Description	Account	Budget	Cost
FY 24/25 Budget - Fire Station 102	2304220-4400200	\$ 2,745,900	
Requested Appropriation	2304220-4400200	16,000,000	
Pending GC Contract			\$14,838,686
Contingency			1,484,000
Remaining Budget for Other Costs			2,423,214
Totals		\$18,745,900	\$18,745,900

**ATTACHMENTS:**

1. CFA00010 FS 102 – Onsite Improvements Contract
2. CFA00010 FS102 – Payment and Performance Bonds
3. Caliba, Inc. Bid
4. FS 102 Vicinity Map
5. FS 102 Rendering