CITY OF PALM DESERT STAFF REPORT

MEETING DATE: May 22, 2025

PREPARED BY: Martin Alvarez, Director of Economic Development

SUBJECT: AWARD CONTRACT NO. C44200D TO AMERICAN LANDSCAPE, INC., OF CANOGA PARK, CALIFORNIA, FOR THE MOUNTAIN VIEW GOLF COURSE TURF REDUCTION PROJECT (PROJECT NO. MLS00005)

RECOMMENDATION:

- 1. Award Contract No. C44200D to American Landscape, Inc., of Canoga Park, California, for the Mountain View Golf Course Turf Reduction Project at Desert Willow Golf Resort (DWGR) in the amount of \$1,766,084.80.
- 2. Authorize the Finance Department to set aside 10% contingency in the amount of \$176,600 for unforeseen circumstances.
- 3. Appropriate \$1,942,685 from the unobligated Golf Course Capital Fund Balance to Account No. 4414195-4809200, DWGR Capital.
- 4. Authorize the City Attorney to make any necessary non-monetary changes to the agreement.
- 5. Authorize the City Manager to execute the agreement, approve written contract change order requests up to the contingency amount, and any documents necessary to effectuate the actions taken herewith.
- 6. Authorize the City Manager to execute the Notice of Completion (NOC) and authorize the City Clerk to file the NOC upon satisfactory completion of the project.

BACKGROUND:

The City-owned Desert Willow Golf Resort consists of two 18-hole golf courses. The Firecliff and Mountain View courses were opened in 1996 and 1998, respectively. The golf resort was developed with a vision to provide amenities to both Palm Desert residents and visitors and as an economic development tool to attract new timeshare units, retail, and hotel development.

The design intent of the Firecliff Course was to provide a championship-style course that would challenge the highly skilled and potentially be used as part of a professional golf tournament. The design intent of the Mountain View Course was to provide a challenge to avid golfers while providing playability for the average player.

Over the years of heavy golf utilization on both courses averaging 80,000 rounds per year, the golf courses have experienced wear and tear. In 2009, the City entered a professional services contract with Hurdzan Golf (original golf course architect) to develop a long-term capital improvement master plan. Hurdzan evaluated the condition of both courses including their playability in relation to the original design intent. During their site visits and golf course

evaluations, the architect determined that over the years, both golf course greens have become smaller in size; the aggressive growth of the Bermuda grass has encroached onto the greens, the tee boxes have endured significant wear and tear, and bunkers required work to bring playability back to the original design. Based on the architect's prioritization of work, the Mountain View Golf Course greens and bunkers were renovated in 2010.

The renovation of the Firecliff Course bunkers was completed in 2016, which included removal/consolidation of bunkers, grading/drainage improvements, and new bunker sand installation. The bunker renovation project ultimately removed approximately two acres of bunkers to improve playability and pace of play. The bunker renovation project is the only major renovation completed at the Firecliff Course since the course opened in 1997. The renovation to the Firecliff greens and tee boxes were placed on hold due to budget constraints.

In addition to renovations necessary to improve the playability of the course, in 2019 the City approved the DSRT Surf Specific Plan, located on Lot Pad B and adjacent to the golf courses. The Specific Plan includes a 6-acre surf lagoon, surf center building, hotel, villas, clubhouse, and recreational and maintenance facilities. To reduce water demand associated with the Specific Plan, the developer is required to implement a Turf Reduction Program, which includes the removal of over one million square feet of turf (22+ acres) within the Desert Willow Golf Courses and replacing it with drought-tolerant plant materials and water efficient irrigation systems.

Based on original recommendations of the golf course architect and the master improvement plan, the Firecliff Course was prioritized to be renovated. In the summer of 2022, staff conducted a competitive consultant selection process, and the City Council awarded contracts to Hurdzan Golf, the original golf course architect and Hermann Design Group for golf course renovation design and construction support services. Given the complexity of the golf course renovations and the specialty type of construction work, staff initiated a contractor pre-qualification process in 2023. At the conclusion of the pre-qualification process, staff, the design consultants, and the construction management team reviewed and approved two contractors to be eligible to bid on the Firecliff Renovation Project:

- American Landscape Canoga Park, CA
- Wadsworth Golf Construction Plainfield, IL

At the conclusion of the formal bid process, staff only received one bid from American Landscape. Wadsworth indicated that they had several other projects scheduled and were not able to provide a bid. In December of 2023, the City Council awarded a contract to American Landscape. At the conclusion of the Firecliff Renovation Project, the total project cost was \$5,301,756.75 and DSRT Surf reimbursed the City \$319,121.50 for their portion of the turf reduction work.

The Firecliff Renovation Project was completed by American Landscape in the summer of 2024. The project included a renovation of all the greens, the practice green, re-leveling all tee boxes, relocating Hole 10, and 11-acres of turf reduction.

City of Palm Desert Award Contract for Desert Willow Mountainview Golf Course Turf Removal Project

Mountain View Golf Course Turf Reduction Project:

According to the approved DSRT Surf conditions of approval and mitigation measures, the developer must reimburse the City for a portion of the turf removal costs on both golf courses before the Certificate of Occupancy can be issued for the DSRT Surf lagoon and surf center building. The lagoon and surf center are expected to be completed by mid-spring 2026.

To align with DSRT Surf's targeted opening in spring 2026 and to minimize disruption to the golf course during peak season, completing the project in summer 2025 is ideal. If the project is not completed in summer 2025, the City will need to work with DSRT Surf to amend the development agreement to ensure they can still open as scheduled without completion of the turf reduction project.

On March 17, 2025, staff issued a request for bids to the two pre-qualified golf course contractors. A pre-bid meeting was held on April 3, 2025, and bids were due by April 21, 2025. Only one bid was received, from American Landscape. Staff followed up with Wadsworth Golf Construction to understand why they did not submit a bid; Wadsworth explained that their summer schedule is fully booked and they would not be able to meet the required project timeline.

Below is the bid summary that was submitted by American Landscape:

Base Bid	Mountain View Turf Reduction 18-Holes (With Decomposed Granite Ground Cover)	\$1,478,553.40	
Bid Alternate 1			
Planting	Installation of plants, cobble, and decomposed granite in key		
Enhancements	areas	\$438,427.50	
	Base Bid Total	\$1,916,980.90	

Base Bid (Revised)	Modification to dust control, and decomposed granite unit pricing	\$1,345,597.40
Bid Alternate 1		
Planting		
Enhancements	Modification irrigation, and reduction in plant maintenance	
(Revised)	period	\$420,487.40
	Revised Base Bid Total	\$1,766,084,80

Note: Revised Bid results in a cost savings of \$150,896.10

Analysis:

After receiving only one bid, staff, along with consultants Hurdzan Golf and Hermann Design Group, conducted a thorough evaluation of the proposal. The team met with American Landscape to review all construction line items and the schedule of values to ensure the bid reflected current industry standards. Through this detailed review, staff identified cost-saving opportunities and successfully reduced the original Base Bid and Alternate 1 from \$1,916,980.90 to \$1,766,084.80. The final bid was confirmed to be in line with industry norms. Additionally, the

DSRT Surf developer will reimburse the City \$675,321.40 for the turf reduction portion of the project.

Analysis & Capital Projects Context:

This project is a critical component of the City's Capital Improvement Program (CIP). It supports multiple strategic objectives:

- **Infrastructure Reinvestment:** The project maintains and enhances a major City-owned asset through turf reduction and modernization of irrigation systems.
- **Sustainability:** Aligns with water conservation mandates and regional drought response goals.
- Economic Development Support: Helps fulfill mitigation requirements tied to the DSRT Surf resort project, ensuring public infrastructure is ready to support adjacent private investment.
- **Fiscal Responsibility:** Leverages outside funding from the DSRT Surf developer to reduce net City costs and future maintenance expenses.

The project was identified in the Desert Willow Master Plan and is consistent with the City's CIP priorities for reinvesting in aging infrastructure, improving operational efficiency, and ensuring long-term viability of public amenities.

Strategic Plan:

This project will advance the following goals of the Strategic Plan:

- <u>Priority 1 Energy & Sustainability</u>: Reduce per capita consumption of energy and water.
- <u>Priority 4 Energy & Sustainability</u>: Encourage owners of all existing properties to voluntarily retrofit them to obtain reductions in energy and water usage.
- <u>Priority 1 Land Use, Housing & Open Space</u>: Enhance Palm Desert as a first-class destination for premier shopping and national retail businesses.
- <u>Priority 3 Parks & Recreation</u>: Make recreational and exercise opportunities pervasive in all public spaces.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

Funding for the Desert Willow Golf Course Renovation Projects have not been budgeted in the Golf Course Capital Fund (Account No. 4414195-4809200). Sufficient funds are available in Fund Balance to appropriate the requested amount of \$1,942,685. Future golf course related capital projects will need to be closely monitored to ensure revenue to support them coincides with their timing. There is no impact to the General Fund with this action.

The following table provides the current project budget and costs.

Authorized	Item	Contract No.	Budget	Cost/Contract
1/1/2020	Carryover Funds	-	\$ 404,790.00	
2/1/2022	Hurdzan Professional - Consulting Services	A42830		\$ 50,000.00
9/29/2022	Herman Design Group - Design Services	C44200		\$ 305,100.00
3/9/2023	HR Green - Construction Management	A44920		\$ 49,690.00
9/6/2023	Hermann Design Group - Amend 1	C44200		\$ 10,000.00
12/14/2023	Appropriation - CC MTG 12/14 ITEM 14c	-	\$ 4,473,396.75	
12/14/2023	American Landscape - Construction	C44200B		\$ 4,083,396.75
7/26/2024	Hermann Design Group - Amend 2	C44200		\$ 9,085.00
8/19/2024	American Landscape - CO 1	C44200B		\$ 93,599.00
8/26/2024	Hermann Design Group - Amend 3	C44200		\$ 12,000.00
9/10/2024	American Landscape - CO 2	C44200B		\$ 292,985.00
9/12/2024	Appropriation - CC Mtg. 09.12.24 - 13.f - DW	-	\$ 443,570.00	\$
9/12/2024	American Landscape - CO 3	C44200B		\$ 395,901.00
9/12/2024	American Landscape - Unused Contingency	C44200B		\$ -
5/8/2025	Hermann Design Group - Amend 4	C44200		\$ 57,500.00
5/8/2025	Desert Willow Repurposed Funds		\$ 40,000.00	
5/22/2025	American Landscape – Construction	C44200D		\$ 1,766,084.80
5/22/2025	Contingency			\$ 176,600.00
5/22/2025	Appropriation Needed		\$ 1,942,685.00	
	P	roject Budget	\$ 7,304,441.75	
Contract Total			\$ 7,301,941.55 \$	
	Firecliff Developer Reimb Mountain View Developer Reimb			

Net Cost to City \$ 6,307,498.65

ATTACHMENTS:

- 1. Contract
- 2. Performance Bonds
- 3. Contractor Bid Form
- 4. Revised Contractor Bid Form