

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: May 22, 2025

PREPARED BY: Ryan Gayler, Capital Projects Manager

SUBJECT: AWARD CONSTRUCTION CONTRACT TO VANCE CORPORATION FOR THE EL PASEO STREET REHABILITATION PROJECT, PROJECT NO. CST00024 – CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) DETERMINATION

RECOMMENDATION:

1. Make a finding that the project is categorically exempt from further review under the California Environmental Quality Act (CEQA) Guidelines, pursuant to Class 1, Section 15301 (Existing Facilities), and authorize the City Engineer to submit a Notice of Exemption.
2. Award a construction contract, including Bid Alternates 1 and 2, to Vance Corporation of Beaumont, CA, in the amount of \$4,803,488.92 for the El Paseo Street Rehabilitation Project (Project No. CST00024 / Project ID 2025-IFB-182).
3. Authorize an appropriation in the amount of \$1,493,489 from Unobligated Gas Tax Funds to Account No. 2114314-4400200, and in the amount of \$250,000 from Unobligated Capital Bond Funds to Account No. 4514679-5000102.
4. Authorize the Director of Finance to set aside 10% contingency in the amount of \$480,000.
5. Authorize the City Attorney to make any non-monetary changes to the agreement.
6. Authorize the City Manager to execute the agreement and any written requests for change orders up to the contingency amount, amendments, and any other documents necessary to effectuate this action, in accordance with Palm Desert Municipal Code Section 3.30.170(B).
7. 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:

The asphalt on El Paseo, from Highway 74, east to Highway 111, has significantly deteriorated. To assess the appropriate rehabilitation method, the City engaged Applied Research Associates, Inc. (ARA) to perform pavement testing and analysis. ARA's testing—consisting of core samples, ground-penetrating radar, and falling weight deflectometer—concluded that a full-depth reclamation (FDR) approach was most appropriate.

Under this method, the existing asphalt and base will be pulverized and blended to create a more durable 5-inch aggregate base, followed by a 5-inch layer of warm-mix asphalt concrete. This treatment will restore structural integrity and extend pavement life. In addition to street rehabilitation, the project will include the reconstruction of the two existing raised mid-block crossings on El Paseo, and the construction of three new mid-block crossings. The crossings will be upgraded from an asphalt concrete walking surface to pavers.

City of Palm Desert
Award Contract for the El Paseo Street Rehabilitation Project (CST00024)

The rehabilitation of El Paseo from Highway 74, easterly to Highway 111 was initially scheduled for last summer. The project would have required the removal of the dining decks on El Paseo. There was concern that the operators of the dining decks did not have enough time to prepare for the removal and possible reconstruction of the decks, so the street rehabilitation was rescheduled for this summer. Staff have been providing information to the dining deck operators as well as the El Paseo Business Improvement District about the upcoming project. The dining deck operators have been notified of the need to remove the dining deck prior to the start of the street construction. Bid Alternate #1 was included so that the contractor can be directed to remove any dining decks in the event they were not removed by the owner.

The project was advertised via the City's bid portal (OpenGov), and five bids were received electronically on May 8, 2025:

Contractor	Location	Base Bid	Bid Alt #1	Bid Alt #2	Bid total
Vance Corporation	Beaumont, CA	\$4,563,402.98	\$32,251.24	\$207,834.70	\$4,803,488.92
Granite Construction Company	Indio, CA	\$4,566,020.00	\$35,000.00	\$236,500.00	\$4,837,520.00
Calmex Engineering	Bloomington, CA	\$4,708,580.00	\$35,000.00	\$247,400.00	\$4,990,980.00
R.J. Noble Company	San Diego, CA	\$4,877,998.00	\$24,500.00	\$236,500.00	\$5,138,998.00
Matich Corporation	San Bernardino, CA	\$4,837,250.00	\$44,700.00	\$261,000.00	\$5,142,950.00

The low bidder is determined by the base bid amount, plus Alternates #1 and #2. Bid Alternate #1 is to remove the dining decks from the street. Bid Alternate #2 is to adjust CVWD valves and manholes. The low bidder, Vance Corporation, has completed projects of similar size and scope recently, and they are qualified to perform the work.

Construction of the project is anticipated to begin in mid-June. Due to the nature of the work and existing conditions, several challenges are anticipated. El Paseo experiences high traffic volumes, and street rehabilitation will require substantial temporary traffic control measures. The project involves removing the existing pavement to a depth of ten inches, and the street is too narrow to safely maintain traffic alongside construction equipment. As a result, vehicular traffic will be reduced to one lane in each direction and shifted to the opposite side of the roadway.

Construction will be completed in phases, divided into segments from Highway 74 to San Pablo Avenue, San Pablo Avenue to Portola Avenue, and Portola Avenue to Highway 111. The contractor will provide nearby businesses with timely updates regarding traffic control measures and work schedules, including the finalized phasing plan. Changeable message signs will also be deployed to give drivers advance notice of upcoming work. Additionally, the contractor will be utilizing the city-owned lot on the northeast corner of Ocotillo and Tumbleweed as a staging area.

Pursuant to Contract No. C31910 between the City and the Coachella Valley Water District (CVWD), all paving projects include an additive alternate bid item to raise the valves and manholes to the new finished surface on behalf of CVWD. CVWD has the option of accepting the price from the City's contractor and reimbursing the City for the work or using their own forces to perform the work. CVWD has accepted the price of Bid Alternate #2 provided by the contractor for the subject alternate bid item, which is \$207,834.70. Therefore, the City will be reimbursed by CVWD for work done on their behalf upon completion of the project.

Public Notice

The contractor will provide advance notice to businesses regarding construction schedules and traffic control via flyers and changeable message signs. In addition, the City will perform periodic visits to the businesses and maintain a webpage on Engage Palm Desert to provide real-time updates on the project.

Legal Review:

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

Environmental Review:

Staff recommends that the City Council find that the project is categorically exempt from CEQA, pursuant to Class 1, Section 15301 (Existing Facilities) under the CEQA Guidelines, as the project involves the repair and maintenance of existing streets, sidewalks, gutters, and similar facilities.

FINANCIAL IMPACT:

Funding for this project is included in the approved FY 2024-25 Capital Improvement Project (CIP) list, with \$3,540,000 allocated from various funds for street improvements (Measure A, Gas Tax, and Capital Bond). However, an appropriation of \$1,743,489 will be needed to fully fund the project. Staff will reduce the Budget Request in the FY 2025-26 CIP for Gas Tax and Capital Bond Funds prior to formal adoption in June. This action will have no impact on the General Fund.

Project – CST00024 El Paseo Street Rehabilitation Project	Approved Budget	Appropriation Request	Total Amount
Gas Tax (2114134-4400200)	2,790,000	\$1,493,489	\$4,283,489
Measure A (2134134-4400200)	500,000		500,000
Capital Bond Funds (4514679-5000102)	250,000	250,000	500,000
Construction: Vance Corporation (<i>rounded</i>)			(4,803,489)
Construction: Contingency			(480,000)
Balance Available	\$ 3,540,000	\$ 1,743,489	\$0

City of Palm Desert

Award Contract for the El Paseo Street Rehabilitation Project (CST00024)

ATTACHMENTS:

1. Contract Agreement
2. Performance and Payment Bonds
3. Contractor's Bid
4. Notice of Exemption - CEQA
5. Vicinity Map