

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 11, 2025

PREPARED BY: Lucero Leyva, Senior Project Manager

SUBJECT: AWARD CONSTRUCTION CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR FIRE STATION 102 GERALD FORD DRIVE STREET IMPROVEMENTS (PROJECT NO. CFA00010) – 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 Alternative 1, to Granite Construction Company, in the amount of \$3,203,261 (Project CFA00010) for Fire Station 102 Gerald Ford Drive Street Improvements Project.
3. Authorize the Director of Finance to set aside 10% contingency in the amount of \$320,326.
4. Authorize the City Attorney to make necessary non-monetary changes to the agreement.
5. 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).
6. 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:

Summary of all the City Council Approvals for the New Fire Station 102 Project (CFA00010):

- January 26, 2023: City Council awarded a contract to PBK Architects for the architectural design services of the New Fire Station 102.
- April 27, 2023: The City Council awarded a professional services agreement to Engineering Resources of Southern California, Inc. (ERSC, Inc.) for the preparation of engineering design plans and specifications for the street and traffic signal improvements necessary to support the operation of the new fire station.
- January 9, 2025: City Council awarded the construction contract for the New Fire Station 102 and Onsite Improvements to Caliba, Inc.

Staff is now seeking City Council approval to award the construction contract for the necessary street and traffic signal improvements along Gerald Ford Drive, as designed by ERSC, Inc. These improvements are essential for the operation of Fire Station 102 (currently under construction), as well as supporting the ongoing development and growth occurring in the surrounding area. The scope of work includes street widening, site grading, installation of curb

City of Palm Desert
Award Contract for the FS 102 Gerald Ford Street Improvements (CFA00010)

and gutter, addition of Class II bike lanes, installation of a new traffic signal serving the fire station, and the construction of landscaped median islands.

Request for Bids:

The project was advertised via the City’s bid portal, OpenGov, (Project ID 2025-IFB-179), and five bids were received electronically on August 21, 2025:

Contractor	Location	Base Bid	Bid Alt #1	Total
Granite Construction Company	Indio, CA	\$ 3,164,981.00	\$ 38,280.00	\$ 3,203,261.00
Riverside Construction Company, Inc.	Riverside, CA	\$ 3,201,367.00	\$ 50,400.00	\$ 3,251,767.00
Hillcrest Contracting, Inc.	Corona, CA	\$ 3,388,906.60	\$ 40,800.00	\$ 3,429,706.60
Universal Construction and Engineering	Palm Desert, CA	\$ 3,550,194.95	\$ 56,196.00	\$ 3,606,390.95
Caliba, Inc.	Anaheim, CA	\$ 6,230,078.93	\$ -	\$ 6,230,078.93

The lowest bidder is determined by the base bid and Alternative #1. Bid Alternative #1 is to adjust CVWD valves and manholes currently existing along Gerald Ford Drive. Granite Construction Company submitted a base bid of \$3,164,981 and a Bid Alternative #1 in the amount of \$38,280. Staff and the city’s on-call construction management vendor, Accenture, have reviewed the bid documents and determined that the bid submitted by Granite Construction Company is responsive, responsible, and in compliance with all plans, specifications, and required forms.

Staff recommends awarding the construction contract to Granite Construction Company, in the amount of \$3,203,261, which includes Bid Alternative #1.

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 provided in the approved FY 2025-26 Financial Plan and Capital Improvement Project (CIP) list, utilizing Prop. A Fire Tax and Measure G Funds (2304220-4400200) and Fire Facility Funds (2354270-4400200). This action will have no additional fiscal impact on the General Fund.

The remaining project budget will be reallocated to other fire-related capital projects and/or operational costs.

Authorized Budgets	Date Authorized	Total	Fire Tax & Meas. G	
			Fund 230	Fire Facilities Fund 235
FY 2022-23 CIP Budget	7/1/2022	1,223,471.00	-	1,223,471.00
FY 2023-24 CIP Budget	7/1/2023	3,391,500.00	2,745,900.00	645,600.00
FY 2024-25 CIP Budget	7/1/2024	16,000,000.00	16,000,000.00	-
FY 2025-26 CIP Budget	7/1/2025	4,500,000.00	4,500,000.00	-
Total Authorized Budget to Date		25,114,971.00	23,245,900.00	1,869,071.00

Authorized Expenditures	Date Authorized	Total	Fire Tax & Meas. G	
			Fund 230	Fire Facilities Fund 235
Architectural & Engineering Design Svcs:				
NV5, Inc. (A44450)	11/4/2022	24,458.75	-	24,458.75
PBK Architects (C44730)	1/26/2023	654,400.00	-	654,400.00
HR Green	2/9/2023	3,800.00	-	3,800.00
Anser Advisory (C44730)	2/16/2023	1,339,207.50	1,260,270.00	78,937.50
ERSC (C45120A)	4/27/2023	274,254.10	-	274,254.10
TKE Engineering (C47460)	2/13/2024	36,690.00	-	36,690.00
Various Permits & Utility Fees	-	174,021.71	-	174,021.71
Equipment/Apparatus & DMV Fee	4/23/2024	315,163.58	-	315,163.58
Groundbreaking Event	4/1/2025	8,487.48	-	8,487.48
Fire Station Construction: Caliba, Inc.	5/19/2025	16,322,686.00	16,322,686.00	-
Total Authorized Expenditures to Date		19,153,169.12	17,582,956.00	1,570,213.12

Traffic/Street Improvements:				
Granite Construction Company*		3,203,261.00	2,904,403.12	298,857.88
Contingency 10%*		320,326.00	320,326.00	-
Remaining Project Budget Available		2,438,214.88	2,438,214.88	(0.00)

*This request

ATTACHMENTS:

1. Granite Bid Response Package
2. Granite Agreement
3. Granite Performance and Payment Bonds
4. Notice of Exemption – CEQA
5. FS102 Vicinity Map