

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 11, 2025

PREPARED BY: Chris Gerry, Senior Project Manager

SUBJECT: RATIFY CHANGE ORDER NO. 3 TO CONTRACT NO. C48140 WITH DBX, INC., FOR THE MARKET PLACE DRIVE AND COOK STREET TRAFFIC SIGNAL IMPROVEMENTS (CTS00001)

RECOMMENDATION:

Ratify Change Order No. 3 to Contract No. C48140 with DBX, Inc., to increase compensation in the amount of \$6,329.65 for the Market Place Drive and Cook Street Traffic Signal Improvements.

BACKGROUND/ANALYSIS:

Overview:

The Market Place Drive and Cook Street Traffic Signal Improvements (Project) includes the installation of a new traffic signal at the currently unsignalized intersection of Cook Street and Market Place Drive. This signal was identified as a mitigation measure in the Environmental Impact Report for the DSRT Surf Project (May 2019). In addition to the signal installation, the Project incorporates ADA-compliant curb ramps, sidewalks, and other improvements to improve accessibility and regional traffic synchronization.

The City advertised the Project and received five bids on September 17, 2024. The City Council awarded the Project to DBX, Inc. (Contractor) for \$464,560 on October 10, 2024. The City Council also approved a contingency in the amount of \$47,000 (approximately 10%).

The Project has since been completed. During project construction, the City issued three change orders described below:

- **Change Order No. 1 (\$4,048.00):** The Project plans did not include a curb between the sidewalk and adjacent landscaping on the east side of Cook Street. Since the initial plan development, the adjacent property has updated its landscaping, necessitating the addition of a curb for proper grade separation. Change Order No. 1 covered the labor, materials, and equipment necessary to install approximately 160 linear feet of six-inch curb along the newly constructed sidewalk.

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 Ratify Change Order for Cook and Market Place Traffic Signal Installation

Change Order No. 2 (\$40,062.00): At the time of bidding, the City had not yet received plans from Southern California Edison (SCE) identifying the line extension and service point for the service pedestal. A service pedestal is the electrical service point for the intersection where utility power connects to the traffic signal system. Once the SCE plans were received, the City requested this change order to complete the remaining work. Change Order No. 2 covered the labor, materials, and equipment necessary to install approximately 400 feet of conduit in accordance with the approved plans.

- **Change Order No. 3 (\$9,219.65):** In late July 2025, SCE conducted an inspection of the newly installed service pedestal. Upon inspection, SCE required the construction of a concrete retaining wall around the service pedestal due to the adjacent elevations. Change Order No. 3 covered the labor, materials, and equipment necessary to install a retaining wall around the service pedestal.

Change Order No. 3 used the remaining contingency and exceeded it by \$6,329.65. Due to the necessity to complete the Project and the timing of summer recess, the City Manager approved the total change order under the authority granted under Palm Desert Municipal Code 3.30.170(C)1. Staff is requesting to ratify Change Order No. 3 which increased compensation in the amount of \$6,329.65. Following this action, staff will issue a Notice of Completion.

Legal Review:

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

FINANCIAL IMPACT:

The Project was included in the approved Fiscal Year 2024-25 Capital Improvement Project List through the Measure A Fund, Account No. 2134385-5000911, and the Traffic Signal Fund, Account No. 2344250-4400100; therefore, there is no financial impact to the General Fund.

The originally approved contingency has been exceeded by \$6,329.65, as the total of the three change orders amount to \$53,329.65. For this reason, ratification of Change Order No. 3 is requested. The table below reflects project budget and expenses:

<i>Account</i>	<i>Budget</i>	<i>Project Cost</i>	<i>Balance</i>
2134385-5000911	\$331,707.00		
2344250-4400100	\$460,075.00		
Design – Advantec C45300		\$100,610.00	
Design – Contingency		\$10,000.00	
Construction – DBX		\$464,580.00	
Contingency		\$47,000.00	
Additional Contingency*		\$6,329.65	
Total	\$791,782.00	\$628,519.65	\$163,262.35
	<i>DSRT Surf Contribution (12.1%)</i>	<i>(\$76,050.87)</i>	
	Total Project Cost	\$552,468.78	

* Current request

DSRT Surf is required to contribute its fair share of the costs for installing the traffic signal at the intersection of Cook Street and Market Place Drive, with their contribution established at 12.1%, it will help offset a portion of the City’s costs for the project.

ATTACHMENTS:

1. Staff Report (October 24, 2024)
2. Contract C48140
3. Change Order No. 1
4. Change Order No. 2
5. Change Order No. 3