

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 11, 2025

PREPARED BY: Shawn Muir, Community Services Manager

SUBJECT: APPROVE AMENDMENT NO. 4 TO CONTRACT NO. C32410 WITH
DESERT RECREATION DISTRICT FOR PARK AND PORTOLA
COMMUNITY CENTER SERVICES

RECOMMENDATION:

1. Approve Amendment No. 4 to Contract No. C32410 with Desert Recreation District to incorporate the updated Pricing Matrix (Exhibit B), reflecting revised labor and material rates for Park and Portola Community Center services.
2. Authorize the City Attorney to make any necessary non-monetary changes to the amendments.
3. Authorize the City Manager to execute the amendments and any documents necessary to effectuate the actions taken herewith.

BACKGROUND/ANALYSIS:

The City of Palm Desert (City) has maintained a partnership with the Desert Recreation District (DRD) for nearly 30 years to provide recreational programming, facility staffing, and community services. DRD supports the City as a facilities operator and provider of sports programming, activities, and special park events.

The contract includes park attendants, janitorial services, and other facility staff to monitor daily activities. At the Portola Community Center (PCC), DRD provides on-site administrative staff who manage reservations for City parks and fields. They are open from 8:00 a.m. to 8:30 p.m., serving as a liaison between the City and the public.

The current cost-plus-15% agreement was originally executed in November 2012 and automatically renews in five-year increments unless terminated with one year's notice. Since the last contract amendment, the scope and cost of services have grown due to increased programming demands, expanded maintenance responsibilities, and higher labor costs. In response, DRD has submitted an updated Pricing Matrix (Exhibit B) that reflects revised labor rates and materials costs.

Amendment No. 4 incorporates this new matrix, effective July 1, 2025, with a 2.5% increase applied in each subsequent fiscal year. Acceptance of the updated matrix ensures that the City's reimbursement aligns with current service costs while maintaining continuity in recreational services. City staff will continue to monitor performance under the agreement and evaluate potential cost adjustments as new park facilities are added in future years.

Legal Review:

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

FINANCIAL IMPACT:

The Public Works Operations Budget for Fiscal Year (FY) 2025-26 includes a total of \$755,000 in Account No. 1104610-4309200 (Civic Center Park / Professional - Contract), and Account No. 1104344-4309000 (Portola Community Center / Professional – Other) for reimbursement of services pursuant to this contract. The increased cost labor costs passed through to the City take effect July 1, 2025. The operational costs beginning in FY 2025-26 are estimated as follows:

| Services | FY 2025/26 | FY 2026/27 | FY 2027/28 | FY 2028/29 | FY 2029/30 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Estimated Cost for Service | \$689,191 | \$706,417 | \$724,076 | \$742,177 | \$760,732 |
| Mileage Reimbursement | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |
| Average Cost for Materials | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| Total Estimated Cost | \$739,191 | \$756,417 | \$774,076 | \$792,177 | \$810,732 |

Sufficient funds have been budgeted for FY 2025-26; therefore, this action has no further impact on the General Fund. Staff will budget accordingly for subsequent years during the annual budget approval process, and adjust other expense accounts, if necessary, to help offset the increase.

ATTACHMENTS:

1. Proposed Amendment No. 4
2. Proposed Exhibit B