

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: September 25, 2025

PREPARED BY: Ryan Gayler, Capital Projects Manager

SUBJECT: AWARD A TASK ORDER TO TKE ENGINEERING FOR GRANT ADMINISTRATION AND DRAINAGE DESIGN SERVICES OF THE COOK STREET & GERALD FORD IMPROVEMENTS PROJECT (GDR00001)

RECOMMENDATION:

1. Award a task order to TKE Engineering, Inc., for grant administration and the design of drainage improvements to the intersection of Cook Street and Gerald Ford Drive in the amount of \$743,000.
2. Ratify the execution of the Memorandum of Understanding between the Southern California Association of Governments and the City of Palm Desert, outlining the responsibilities of the parties regarding the grant funds.
3. Adopt a Resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALM DESERT, CALIFORNIA, APPROVING THE EXECUTION OF AN AGREEMENT TO RECEIVE FUNDING FROM THE REGIONAL EARLY ACTION PLANNING GRANT PROGRAM OF 2021.”
4. Authorize the City Attorney to make non-monetary changes to the task order and Resolution as necessary.
5. Authorize the City Manager to execute the task order and an addendum to the Memorandum of Understanding, refining the details of the MOU to match the proposed project.

BACKGROUND/ANALYSIS:

In 2023, the City of Palm Desert applied for a grant administered by the Southern California Association of Governments (SCAG). The grant is called Regional Utilities to Support Housing (RUSH), which is a pilot program under the Regional Early Action Planning (REAP) grant program. In December 2023, the City was awarded up to \$8 million in grant funding, with a potential local match requirement of up to \$6.5 million for drainage improvements along the northern boundary of the City. If the project will not utilize the entire award amount, the remainder of the grant funds will be reprogrammed to other projects by SCAG. The City initiated preliminary engineering, including hydrology and hydraulics, to determine the scope of potential projects. The grant requires the project to be completely constructed by December 31, 2026.

In March 2025, the City Manager executed the original Memorandum of Understanding (MOU) with SCAG, securing grant funds while finalizing project scope and other key details. During the evaluation phase, several project alternatives were considered. However, most were ruled out due to significant land acquisition challenges. Primarily, private property owners were either unwilling to sell or imposed contingencies that made acquisition unfeasible.

Through the preliminary engineering process, staff identified the Cook Street & Gerald Ford Retention Basin Project as the most viable and beneficial option for utilizing the SCAG grant. The project aims to enhance transportation access during storm events, particularly for first responders stationed at the new fire station on Gerald Ford Drive. The primary goal is to reduce or eliminate flooding at the intersection of Cook Street and Gerald Ford Drive, an area where floodwaters can create access barriers for pedestrians, cyclists, and motorists. Flooding at this intersection can also impede access to the Cook Street interchange at Interstate 10. This project also meets the goals of the RUSH grant by encouraging infill housing development, giving builders confidence that both the development and its future residents will be protected from flood impacts.

With the project scope and estimated costs now finalized, the City is positioned to utilize \$3,780,500 of the REAP 2.0 grant funding, with a local match of \$195,000 as the City's required contribution. The grant-funded portion will support the design of drainage improvements at the intersection and the construction of enhancements to the existing retention basin system located along the northern edge of the City, east of Cook Street (formerly known as the Mid-Valley Channel).

Also included in the design is a future retention basin on the north side of Gerald Ford Drive, along with a storm drain system to convey water from low-lying areas on the roadway. However, construction of the new retention basin and storm drain is not included in the current grant-funded scope, as the City has not yet acquired the necessary land. Moreover, due to the grant's expiration timeline, completing this portion of the project before the end of 2026 is not practicable.

The finalized project scope has been submitted to SCAG for approval, and SCAG is currently drafting a revised MOU to clearly reflect the updated project details. This MOU requires the City to adopt a resolution authorizing acceptance of the grant funds.

Given the complexity of grant administration and the condensed project timeline due to the grant expiration deadline, the City has requested a cost proposal for assistance from TKE Engineering, Inc., one of the City's on-call engineering consultants. These consultants were previously selected through a competitive procurement process, which included proposal evaluations and interviews by staff from multiple departments. The proposed scope of work includes grant administration, environmental documentation, and project design services, with a not-to-exceed cost of \$743,000.

Legal Review:

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

FINANCIAL IMPACT:

Funds for this task order are available in the New Construction Fund (Fund 231) and are included in the approved FY 2025-26 Financial Plan and Capital Improvement Project (CIP) List. The grant operates on a cost-reimbursement basis, requiring the City to pay expenditures upfront

Authorize City Manager to execute a task order for the Cook Street & Gerald Ford Improvements

and then submit invoices to SCAG for reimbursement. The table below outlines the project budget and expenditures to date:

Authorized Budgets	Date Authorized	Total	General Fund 110	New Const Fund 231	Meas G Fund 400
Preliminary Eng. Budget FY2023-24	4/1/2024	194,700	194,700	-	-
Eng. & Grant Admin Budget FY2025-26	7/1/2025	1,000,000	-	1,000,000	-
Construction Budget FY2026-27	7/1/2025	8,500,000	-	-	8,500,000
Construction Budget FY2027-28	7/1/2025	5,000,000	-	-	5,000,000
Total Authorized Budget to Date		14,694,700	194,700	1,000,000	13,500,000
Authorized Expenditures	Date Authorized	Total	General Fund 110	New Const Fund 231	Meas G Fund 400
Q3 Consulting (Prelim Eng A47200)	4/1/2024	194,700	194,700	-	-
Total Authorized Expenditures to Date		194,700	194,700	-	-
Eng. & Grant Admin: TKE Engineering, Inc.*		743,000	-	743,000	-
Remaining Project Budget Available		13,757,000	-	257,000	13,500,000
*This request					

ATTACHMENTS:

1. Task Order- TKE GDR00001
2. Proposal
3. Resolution
4. M-035-25 REAP 2.0 RUSH Palm Desert MOU Executed
5. Vicinity Map