

PALM DESERT HOUSING AUTHORITY STAFF REPORT

MEETING DATE: January 22, 2026

PREPARED BY: Alex Vasquez, Project Manager
Lucero Leyva, Senior Project Manager

SUBJECT: AWARD CONTRACT TO VAN ENGINEERING, INC., FOR TAOS PALMS
APARTMENTS SITE IMPROVEMENTS (PROJECT NO. CHA00004)

RECOMMENDATION:

1. Award a construction contract to Van Engineering, Inc., of Wildomar, California, in the amount of \$216,163, plus a \$21,616 contingency for unforeseen expenses (Project No. CHA00004/Project ID 2025-IFB-212).
2. Authorize the Director of Finance to appropriate funds from Housing Authority Fund Balance Reserves to Housing Authority Replacement Expenditure Account No. 8714195-4331100, in the amount of \$237,779.
3. Authorize the General Counsel to make non-monetary changes to the contract.
4. Authorize the Executive Director to execute the agreement and any written requests for change orders up to the contingency amount, amendments, and any documents necessary to effectuate the actions taken herewith.
5. Authorize the Executive Director to execute the Notice of Completion (NOC) and the City Clerk to file the NOC upon satisfactory completion of the Project.

BACKGROUND/ANALYSIS:

The Palm Desert Housing Authority (Authority) owns and manages the Taos Palms Apartments (Taos), located at 44830 Las Palmas Avenue, which includes sixteen (16) affordable housing units. Taos has experienced ongoing flooding during rain events, which has directly impacted residents; therefore, the property has been identified as a high-priority site for rehabilitation. To address the ongoing flooding, exterior improvements are needed throughout the courtyards and parking areas, including asphalt concrete, landscaping, and drainage.

The proposed project will demolish and replace the existing asphalt, sidewalk, landscaping, and drainage, including modifications to the grading and drainage. These site improvements will address flooding issues and correct site ADA deficiencies, which will enhance accessibility and overall site conditions.

The project was released in an Invitation for Bid on the City's public procurement portal on November 18, 2025 (2025-IFB-212). A non-mandatory pre-bid meeting and site visit was held on December 3, 2025, in which seven contractors attended. The Authority received the following two bids by the December 18, 2025, deadline.

Palm Desert Housing Authority
 Award Contract for Taos Palms Apartments Site Improvements Project

Contractor	Location	Total Bid
Van Engineering, Inc.	Wildomar, CA	\$216,163.00
Jacobsson Engineering Construction Inc.	Palm Desert, CA	\$278,485.06

The engineer’s estimate for the project is \$237,500, and construction is expected to be completed within 60 calendar days. After reviewing the bids, staff determined that Van Engineering Inc. submitted the lowest responsive bid and meets all requirements to perform the work. For these reasons, staff recommends that the Housing Authority Board approve the award of the contract to Van Engineering, Inc. and authorize all related actions.

Legal Review:

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

FINANCIAL IMPACT:

This project has been identified as a Community Development Block Grant (CDBG)–funded project and will be reimbursed using CDBG funds. On December 11, 2025, City Council approved \$232,744.11 in CDBG funding for this project. In addition, \$6,800 in remaining CDBG funds from Fiscal Year 2024-25 was reallocated, bringing the total CDBG allocation for the project to \$239,544.11. An appropriation is required to accommodate the project expenditures; however, CDBG-eligible costs are reimbursable at 100 percent by the U.S. Department of Housing and Urban Development (HUD). As a result, all costs will be recovered and there will be no fiscal impact to the Housing Authority or General Fund.

The following table illustrates the project’s budget and expenditures:

Description	Account No.	Budget*	Expenditures	Balance
Housing Authority Replacement Exp Construction Contract:	8714195-4331100	\$237,779		
	<i>Van Engineering, Inc.</i>		\$ 216,163	
	<i>10% Contingency</i>		\$ 21,616	
Totals		\$239,544.11	\$ 237,779	\$0

**Funds in the amount of \$239,544 have been awarded from CDBG and will reimburse the amount requested.*

ATTACHMENTS:

1. Contract for Construction
2. Performance and Payment Bonds
3. Van Engineering, Inc. Proposal
4. Vicinity Map

CONFLICT OF INTEREST AWARENESS CHECKLIST:

Site-Specific Property Interest – Councilmembers should check if they own or lease real property within 1,000 feet of the project site (Gov. Code § 87103(b); FPPC Reg. 18702.2).

SB 1439 Applicability (Campaign Contributions) – Applies to licenses, permits, or other entitlements for use, and to contracts or franchise agreements other than competitively bid, labor, or personal employment contracts.

Applicant(s)/Appellant(s): _____

Council members should review any campaign contributions received within the last 12 months from parties or participants to the proceeding and must not accept contributions over \$500 from those parties for 12 months following the final decision (Gov. Code § 84308).

Note: These indicators are informational and do not constitute a legal determination. Each Councilmember is responsible for identifying and disclosing any disqualifying interests in accordance with the Political Reform Act and FPPC regulations.