



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-958

Agenda Date: 9/3/2025

Agenda #: 6.

DATE: September 3, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

TITLE: CONSTRUCTION CHANGE ORDER NO. 2; LEASE AGREEMENT EXTENSION WITH PACIFIC MOBILE STRUCTURES, INC.; AND FUND APPROPRIATION FROM THE GENERAL FUND FOR THE CROWN HEIGHTS COMMUNITY RESOURCE CENTER BUILDING REHABILITATION PROJECT

RECOMMENDATION

Staff recommends that the City Council authorize the City Engineer to approve Construction Change Order No. 2 with Fordyce Construction, Inc. ("Fordyce"), in the amount of \$1,145,520, for a total contract amount not to exceed \$5,025,043, for additional construction services for the Crown Heights Community Resource Center Building ("Crown Heights Resource Center"); authorize the City Engineer to approve change orders required to extend the rental agreement with Pacific Mobile Structures, Inc. ("Pacific Mobile") as needed per the construction schedule, in an amount not-to-exceed \$50,000; and appropriate additional funds from the General Fund Assigned Infrastructure Reserves, in the amount of \$1,003,478, to cover the funding gap for necessary construction repairs, including extension of the temporary facilities.

BACKGROUND AND ANALYSIS

On May 17, 2023, the City Council approved a Professional Services Agreement (PSA) with Heritage Architecture and Planning (HAP) to develop construction documents for the proposed Crown Heights Resource Center Rehabilitation project. The original scope included modifications to the building layout to address Americans with Disabilities Act (ADA) deficiencies, as well as targeted repairs to the concrete foundation, flooring, and roof. The proposed improvements and construction documents were guided by a Historic Structure Assessment Report involving in-depth walk-throughs and non-invasive structural assessments of the building. At that time, a complete physical assessment of the building was restricted due to it being occupied by City services.

On October 8, 2024, staff advertised the construction documents for the Crown Heights Resource Center Rehabilitation project. On November 5, 2024, one bid was received and publicly opened; the apparent lowest bidder was Fordyce, with a bid amount of \$3,247,358. Fordyce's Public Works Agreement (PWA) was funded by a combination of funds from the American Rescue Plan Act (ARPA), the Community Development Block Grant (CDBG) grant, and the General Fund Assigned Infrastructure Fund.

On November 7, 2024, the City Engineer executed a PWA with Pacific Mobile for a 12-month lease of two (2) modular units, enabling the City to provide services to the community at temporary locations during the construction period. The temporary units are located at the Brooks Street pocket park (located at the northeast corner of Brooks Street and Country Club Lane) for Housing Services, and North County Lifeline's "La Casita" (402 Brooks St) for youth programs. These temporary locations were selected in coordination with the community through public outreach activities.

In February 2025, construction activities began with implementation of site controls and the erection of temporary construction fencing. At the same time, neighborhood-serving activities were relocated to the above-mentioned off-site trailers to continue serving the community during construction.

In March 2025, as the construction progressed, the contractor exposed the wood floors and exterior wall plaster per the original scope, allowing the project's structural engineer to conduct a detailed assessment of the unoccupied building.

The first assessment revealed deterioration of the rim joist, blocking, and the wood sill. In response, Change Order No. 1 (Attachment 2) was issued to allow the contractor to fully remove the wood floors and expose the building's entire exterior foundation, and to enable the structural engineer to perform a second assessment and provide a list of required repairs.

On April 14, 2025, the structural engineer performed a second site visit to assess the condition of the existing concrete stem wall and spread footing, built during the building's original construction in 1931. The second assessment revealed severely deteriorated concrete conditions along the building's perimeter foundation walls and footings, which would require revisions to the approved construction documents.

On August 6, 2025, the City Council approved additional funding for HAP to provide revised construction documents addressing the structural deficiencies and recommendations identified. HAP provided detailed revisions to the originally approved construction documents to address the foundation repairs. Based on the revised construction documents, the contractor provided a detailed scope of work, costs, and timeline to address the required repairs.

The additional work necessary to address safety concerns raised by the unexpected foundation conditions and repairs constitute Change Order No. 2, totaling \$1,145,520; this amount exceeds the approved amount of contingency funds. Due to the additional work, the construction timeline would also extend by 110 working days, thereby requiring staff to extend the lease period of the temporary service units.

Staff requests that City Council approve the additional funding required to address the foundation repairs and extend the temporary unit lease with Pacific Mobile to continue providing services at the temporary location. Staff recognize the important role the Crown Heights Resource Center plays in the neighbor and will continue to explore avenues to safely expedite construction efforts to allow programming to resume at the original location, and minimize construction impacts to community events and programs.

FISCAL IMPACT

The additional construction costs for the Crown Heights Resource Center Rehabilitation project, including staff time, additional contingency, and temporary service locations, total \$1,345,520. The Crown Heights Rehabilitation account 907196524501.5703.10600 contingency has an available balance of \$342,042. A budget increase of \$1,003,478 is needed to cover the anticipated costs of the additional repairs. Therefore, staff is requesting \$1,003,478 from the General Fund Assigned Infrastructure Fund 101.3020.0054, which has an available balance of \$17,370,000. Staff is requesting for the funds to be appropriated to the Crown Heights Rehabilitation account 907196524501.5703.10600.

Description	Total Project Costs	Request to Appropriate	Account Number	Funding Source
Crown Heights Resource Center Rehabilitation Additional Costs	\$1,345,520	\$1,003,478	907196524501.5703.10600	General Fund Assigned Infrastructure 101.3020.0054
A transfer of \$1,003,478 is required from account 1101.6900.0501 to account 907196524501.				

The additional funds requested to complete the foundation repairs, are shown on the table below:

Description	Additional Cost	907196524501.5703.10600 Available Balance	Additional Funding Required
Construction (Fordyce Construction, Inc.)	\$1,145,520	\$342,042	\$803,478
Staff Time (PM, CIP, Building Inspections)	150,000	-	150,000
Service Extension for Temporary Facilities	50,000	-	50,000
TOTAL	\$1,345,520	\$342,042	\$1,003,478

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Victor Velasco, P.E. Principal Civil Engineer

Reviewed by: Darlene Nicandro, Development Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Construction Change Order No. 1
3. Construction Change Order No. 2