



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1450

Agenda Date: 6/3/2026

Agenda #: 8.

DATE: June 3, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT FOR AS-NEEDED CAPITAL IMPROVEMENT PROJECT MANAGEMENT SERVICES

RECOMMENDATION

Staff recommends that City Council approve Amendment No. 1 to the Professional Services Agreement with KRD Management Consulting, in an amount not-to-exceed \$1,029,600, for a total contract amount of \$1,129,600, for capital improvement project management services; and authorize the City Manager to execute the amendment.

BACKGROUND AND ANALYSIS

The Water Utilities Department Capital Improvement Program (CIP) has a proposed budget of just over \$484 million in proposed projects in the next five years. These improvements reflect the City's long-term commitment to addressing aging infrastructure, expanding capacity, and increasing the reliability of the local water supply through water, waste water and water reuse projects. To maintain progress on this substantial workload, the department has utilized consultant support to supplement internal staffing for project management roles.

On February 6, 2026, the City released an RFP for Project Manager services. On March 3, 2026, four proposals were received. After reviewing the proposals staff recommended, and the City Manager administratively awarded a Professional Services Agreement to KRD Management Consulting. KRD has demonstrated the necessary skills, judgement and experience to provide the services needed. Because several large projects are entering construction phase shortly, issuing a Professional Services Agreement administratively allowed for minimum disruption and provided continuity in project management until Council can award a longer-term contract.

A mix of internal staff and external consultant support will continue to be necessary due to the volume and complexity of the Utilities' CIP Program. This approach reflects the City's intent to optimize project delivery through the most effective mix of internal and external resources. The department remains committed to ensuring timely, cost-effective, and high-quality execution of its capital improvement initiatives.

FISCAL IMPACT

The total of Amendment No. 1 is not to exceed the cost of \$1,029,600, over a three-year term, from July 1, 2026 - June 30, 2029. The encumbrance will be established in the accounts outlined in Table

1 below and moved to project accounts as task-orders and projects are assigned, while staying in contractual limits. There are sufficient funds in each account for FY 2026-27 to fund this request.

Table 1

Account Number	Project	2026-27	Proposed Budget	2027-28	2028-29
750010712.5306	Water Capital	\$ 27,850	\$ 150,000	\$ 22,600	\$ 21,600
800010722.5306	Sewer Capital	27,850	150,000	22,600	21,600
908158419712.5305.10600	Wells Expansion Brine Minimization Project	65,000	268,825	73,000	50,000
908175822715.5305.10220	PWO Phase 3 Feasibility study	30,000	274,329	15,000	15,000
909122900722.5305.10600	OBLS Relocation	7,500	16,741	-	-
909149117722.5305.10400	BVLS Replacement-Design	50,000	120,000	25,000	-
909149117722.5305.10600	BVLS Replacement-Construction	-	-	25,000	75,000
909157319722.5305.10600	OMG FM	45,000	727,406	45,000	45,000
909163920722.5305.10600	OMG Lift Station	45,000	211,349	45,000	45,000
909164020722.5305.10600	Mission Ave Force Main	45,000	231,785	45,000	45,000
909548800722.5305.10600	Land Outfall	-	-	25,000	25,000
Totals:		\$ 343,200	\$ 2,150,435	\$ 343,200	\$ 343,200

Water Sales and Water Meter Charges in the Fixed Asset Replacement Fund (712) are the funding sources for water projects. Recycled and Pure Water projects are partially funded by developer fees (fund 715). Sewer Flow and Sewer Service Charges in the Fixed Asset Replacement Fund (722) are the funding sources for sewer projects.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved Staff's recommendation at its regularly scheduled meeting on May 19, 2026.

CITY ATTORNEY'S ANALYSIS

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

Prepared by: John McKelvey, Principal Management Analyst

Reviewed by: Frederick Mayo, Water Utilities Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Amendment 1