



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1384

Agenda Date: 5/6/2026

Agenda #: 11.

DATE: May 6, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: AWARD OF CONSTRUCTION CONTRACT TO Q&E PIPELINE COMPANY FOR THE LUCKY STREET WATER AND SEWER REPLACEMENT PROJECT; AWARD OF PROFESSIONAL SERVICES AGREEMENT WITH HOCH CONSULTING FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES; AND APPROPRIATE FUNDS FROM THE FIXED ASSET REPLACEMENT FUNDS

RECOMMENDATION

Staff recommends that the City Council award a contract to Q&E Pipeline Company in the amount of \$1,142,830, for the construction of the Lucky Street Water and Sewer Replacement Project; authorize the City Engineer to execute change orders up to 10 percent of the construction contract amount; approve a Professional Services Agreement with Hoch Consulting in the amount of \$267,641, to provide Construction Management and Inspection Services for the Project; appropriate \$530,423 for sewer and \$355,588 for water from the respective fixed asset replacement funds; and authorize the City Manager, or designee, to execute the agreement upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

The City of Oceanside (City) owns and operates water and sewer mains along Lucky Street, originally constructed in 1959. Field assessments of these mains have revealed multiple defects and insufficient pipe sizes. Staff has determined that sections of existing water and sewer mains along this street will need to be replaced in order to address deficiencies in the mains and to meet current fire flow requirements.

The Lucky Street Water and Sewer Replacement Project (Project) consists of the replacement of approximately 1,470 linear feet of existing 6-inch diameter vitrified clay (VCP) sewer main with new 8-inch diameter polyvinyl chloride (PVC) main, and the replacement of approximately 880 linear feet of existing 6-inch and 4-inch diameter water main with a new 8-inch diameter PVC main. Once pipelines are replaced, pavement resurfacing will be completed for the full width of Lucky Street, south of California Street.

The contract documents were advertised for bids on February 12, 2026 and on March 12, 2026, seven bids were received and formally opened. The apparent low bidder is Q&E Pipeline Company

with a bid in the amount of \$1,142,830. Staff have reviewed the bid documents submitted by Q&E Pipeline Company and finds that its bid, bid bond, and references are in accordance with City standards. The engineer’s estimate for this project was \$1,792,000 and bids received ranged from \$1.14M to \$1.86M. Attachment A includes the bid tabulation with a list of bidders and bid amounts.

On February 12, 2026, the City also released a Request for Proposals from qualified consultants to provide construction management and inspection (CM&I) services for the Project. On March 12, 2026, four proposals were received. A panel of City staff reviewed and scored each proposal using a standardized rating process. The review panel selected Hoch Consulting as the highest rated consultant based on its experience with similar projects and approach to the scope of work.

Construction is expected to begin in May 2026 with completion in six months.

FISCAL IMPACT

The total project cost for the Lucky Street Water and Sewer Replacement Project is \$1,524,754, consisting of the construction contract, construction contingency, and CM&I services.

The construction contract with Q&E Pipeline Company is \$1,142,830, plus a contingency of up to 10 percent (\$114,283) to address unforeseen field conditions, subject to City Engineer approval. The CM&I services contract with Hoch Consulting is a not-to-exceed amount of \$267,641.

The Project will be funded through the Lucky Street Replacement accounts for sewer (909203125722) and water (908203125712). Current available balances of after recent budget changes are \$384,430, and \$254,313, respectively.

The requested appropriation is necessary to fully fund the Project as outlined in Table 1. The total additional appropriation required is \$886,011 and will be funded from the applicable fixed asset replacement funds, with balances of \$134.5M (722-sewer) and \$83.8M (712-water), respectively.

Table 1 Lucky Street Water and Sewer Replacement Project Funding Summary

Description	Account Number	Amount Required	Available Balance	Appropriate
SEWER FUND (722)				
Contractor (Q&E Pipeline Co.)	909203125722.5 703.10600	\$685,698	\$326,765	\$358,933
Contingency 10%	909203125722.5 703.10600	68,570		68,570
CM&I (Hoch)	909203125722.5 305.10600	160,585	57,665	102,920
Sewer Subtotal		914,853	384,430	530,423 (from 722.3100.0002)
WATER FUND (712)				
Contractor (Q&E Pipeline Co.)	908203125712.5 703.10600	457,132	204,313	252,819

Contingency 10%	908203125712.5 703.10600	45,713		45,713
CM&I (Hoch)	908203125712.5 305.10600	107,056	50,000	57,056
Water Subtotal		609,901	254,313	355,588 (from 712.3100.0002)
PROJECT TOTAL				
Contractor (Q&E Pipeline Co.)		1,142,830	531,078	611,752
Contingency 10%		114,283		114,283
CM&I (Hoch)		267,641	107,665	159,976
Total Project Cost		\$1,524,754	\$ 638,743	\$886,011

Funding for this Project comes from water sales and water meter charges in the Water Fixed Asset Replacement fund, 712 and sewer flow and service charges in the Sewer Fixed Asset Replacement fund, 722.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved Staff's recommendation at a special meeting held on April 15, 2026.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form. The construction contract must be awarded to the lowest responsible bidder whose bid is responsive to the call for bids. The Public Contract Code defines "responsible bidder" as a bidder who has demonstrated the attributes of trustworthiness as well as quality, fitness, capacity and experience to satisfactorily perform a public works contract.

Prepared by: Mabel Uyeda, Water Engineering Manager

Reviewed by: Frederick Mayo, Water Utilities Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Bid Tabulation Sheet
2. Hoch Lucky Street Water-Sewer CM&I
3. Bid Submittal