



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-983

Agenda Date: 10/1/2025

Agenda #: 9.

DATE: October 1, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: AWARD OF CONSTRUCTION CONTRACT TO HPS MECHANICAL, INC. FOR THE LA SALINA WASTEWATER TREATMENT PLANT SOLIDS DEWATERING AND HEADWORKS BUILDINGS STRUCTURAL REPAIRS AND APPROVE AN ASSOCIATED BUDGET CHANGE

RECOMMENDATION

Staff recommends that the City Council award a contract to HPS Mechanical, Inc., in the amount of \$1,010,800, for the construction of the La Salina Wastewater Treatment Plant Solids Dewatering and Headworks Buildings Structural Repairs; authorize the City Engineer to approve Change Orders up to 15 percent of the contract value for any unforeseen conditions for a total not to exceed amount of \$1,162,420; approve a budget change in the amount of \$600,000; and authorize the City Manager, or designee, to execute the agreement upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

The La Salina Wastewater Treatment Plant (LSWWTP) has been in operation since 1949 and throughout the years has had several expansions and improvements to keep up with increasing flows and necessary repairs. In 2014, the City determined that rerouting wastewater flows to the San Luis Rey Water Reclamation Facility to centralize flows and decommissioning the LSWWTP would be the best financial option for the City. Sewer improvements to divert flows are in final design and expected to start construction in 2026. Until completed, the City must continue critical repairs and maintenance at the LSWWTP to continue operating properly to meet regulatory and permitting requirements, and to protect the health and safety of the community and operations staff.

LSWWTP personnel have identified severe corrosion on several structural members within three critical buildings: Solids Dewatering Building, Headworks Building, and Effluent Pump Station. A condition assessment completed in 2021 identified significant metal loss due to corrosion impacting the structural integrity of the buildings. The structural assessment report recommended a number of replacements and repairs to extend the service life of the structures to the expected date of decommissioning.

In May 2022, West Coast Civil was awarded a task order, through a current as-needed contract with the City, to complete the design of the LSWWTP Solids Dewatering and Headworks Buildings Structural Repairs Project (Project). The design was completed in May 2025 and the contract documents were advertised for bids on July 10, 2025.

On August 12, 2025, three bids were received and formally opened for construction phase of the Project. The apparent low bidder is HPS Mechanical, Inc., with a bid in the amount of \$1,010,800. Staff has reviewed the bid documents submitted by HPS Mechanical, Inc., and finds that its bid, bid bond, and references are in accordance with City standards. The engineer's estimate for this project was \$830,500. The bids received ranged from \$1.01M to \$1.35M.

The City will be using its as-needed construction management contract with NV5 to provide construction management and inspection (CM&I) services throughout construction, for a not-to-exceed fee of \$88,689.

Additionally, staff recommends authorizing the City Engineer to execute Change Orders up to a total of \$151,620. This value represents 15 percent of the contract value for additional repairs that may be found necessary once corrosion on the steel members is removed so repairs can be further assessed.

FISCAL IMPACT

The construction contract with HPS Mechanical, Inc. is in the amount of \$1,010,800 plus a contingency of up to 15 percent (\$151,620), subject to City Engineer approval, for a total authorized amount of \$1,162,420.

This Project will be funded through the La Salina Wastewater Treatment Plant Upgrades Account 909122700722.5703.10600. The current available balance of this account is \$589,433, which is insufficient to fully fund the Project. To address this shortfall, staff recommends a budget transfer of \$600,000 from Object Code 5702.10600, which has a current available balance of \$1,014,450. With this transfer, sufficient funds will be available to cover the full cost of the Project.

As-needed CM&I services provided by NV5 were previously authorized by Council. The not-to-exceed fee of \$88,689 will be charged to La Salina Wastewater Treatment Plant Upgrades Account 909122700722.5305.10600 under a separate, pre-existing contract.

Table 1

LSWWTP Solids Dewatering & Headworks Bldg Structural Repairs Project 90912	
Available Balance with Budget Change	\$ 1,189,433
HPS Mechanical, Inc. Construction Contract	1,010,800
Construction Contingency 15%	151,620
Total Estimated HPS Mechanical, Inc. Cost	\$ 1,162,420
Remaining Balance	\$ 27,013

Funding for this Project comes from the Sewer Fixed Asset Replacement Fund 722, which is primarily funded by sewer service and flow fees.

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved staff's recommendation at its regularly scheduled meeting on

September 16, 2025.

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. 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. Staff Report
2. Bid Tabulation
3. Contract