



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1390

Agenda Date: 5/6/2026

Agenda #: 6.

DATE: May 6, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Development Services Department

TITLE: CONSTRUCTION CHANGE ORDER NO. 3 WITH RAC CONSTRUCTION & ENGINEERING, INC.

RECOMMENDATION

Staff recommends that the City Council authorize the City Engineer to execute Construction Change Order No. 3 with RAC Construction & Engineering, Inc. ("RAC"), in the amount of \$83,900, for a total not-to-exceed contract amount of \$1,013,504, to the McNeil Street Improvements Project for additional construction services for work similar to the approved project.

BACKGROUND AND ANALYSIS

McNeil Street is located within Oceanside's Eastside community and is only partially paved. The proposed McNeil Street Improvements Project ("Project") is a Capital Improvement Program (CIP) project that is completing the westerly portion of McNeil Street, and includes construction of new asphalt pavement, curb and gutter, vegetated swale parkways (green street initiative), and sidewalk. The Project is also rehabilitating the existing easterly improvements of McNeill Street, including sidewalk, curb ramps, curb and gutter, and cross gutters to meet current standards.

On June 22, 2022, the City Council approved the spending plan for the American Rescue Plan Act (ARPA) Coronavirus and Local Fiscal Recovery Funds, which provided financing for the Project design.

In January 2024, the City Engineer approved a Professional Services Agreement Task Order with REC Consultants, Inc. for engineering consulting and design services.

On July 17, 2025, staff advertised the construction documents for the McNeil Street Improvements project. On September 4, 2025, thirteen bids were received and publicly opened; the apparent lowest responsive and responsible bidder was RAC, with a bid amount of \$766,351.

On October 1, 2025, City Council awarded the Public Works Agreement (PWA) to RAC and authorized the City Engineer to execute Change Orders up to the amount of \$200,000 as necessary and construction began in January 2026.

Construction Change Orders No. 1 and 2 were executed by the City Engineer to address unforeseen

site conditions and an increment in construction quantities, for a total amount of \$163,253.

During construction in March 2026, staff identified additional roadway deficiencies on Canyon Drive, located in close proximity to McNeil Street. The observed conditions are similar in nature to the work currently being performed and can be efficiently addressed as part of the existing project.

Specifically, the southeastern approach to the Canyon Drive Bridge has experienced settlement of the approach slab over time, resulting in a noticeable dip that impacts northbound vehicle travel and overall ride quality. Given Canyon Drives' role as a key connection within Oceanside's Eastside community and affects school bus route traffic, timely repair is warranted.

Incorporating this work into the current project is cost effective and will minimize future construction related disruptions to the community. Construction Change Order No. 3 would provide for this additional scope in the amount of \$83,900 bringing the total cumulative change order amount to \$247,153, which exceeds the previously authorized change order limit of \$200,000.

Pursuant to Administrative Directive 21 (AD-21), additional work of similar nature may be performed by the existing contractor without further competitive bidding, provided the authorization is based on the total cumulative contract amount.

Accordingly, staff recommends that the City Council approve Construction Change Order No. 3 to address the identified roadway deficiencies at the Canyon Drive Bridge near McNeil Street, resulting in a more comprehensive, efficient, and coordinated improvement to the surrounding roadway network within Oceanside's Eastside community.

FISCAL IMPACT

The additional construction costs associated with the current contract with RAC for the McNeil Street Improvements project total \$83,900. The McNeil Street Construction account (902191324265.5703.10600) contingency has an available balance of \$36,747. The remaining \$47,153 will be funded by the Asphalt Overlay SB1 account (902155518265.5703.10100). Available funding to complete the proposed project is shown in the table below.

| Description | Total | McNeil Street Construction 902191324265.5703.10600 | Asphalt Overlay SB1 902155518265.5703.10100 |
|--------------------------------|-----------|---|--|
| Change Order No. 3 | \$ 83,900 | \$ 36,747 | \$ 47,153 |
| Available FY25-26 Funds | | \$ 36,747 | \$1,546,823 |

Therefore, sufficient funding is available for the proposed project.

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: Luis Cardenas, Associate Engineer

Reviewed by: Brian K. Thomas, Acting Development Services Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

- Change Order No. 3
- Previous Change Orders