



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1269

Agenda Date: 3/11/2026

Agenda #: 8.

DATE: March 11, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: AMENDMENT 3 TO PROFESSIONAL SERVICES AGREEMENT WITH ARDURRA GROUP, INC. FOR AS-NEEDED PROJECT MANAGEMENT SERVICES

RECOMMENDATION

Staff recommend that the City Council approve Amendment 3 to the Professional Services Agreement with Ardurra Group, Inc. in the amount of \$1,369,680, for a total contract amount of \$3,198,000 to continue providing project management services for various Capital Improvement Projects; and authorize City Manager, or designee, to execute the amendment.

BACKGROUND AND ANALYSIS

The Water Utilities Department's Capital Improvement Program (CIP) includes approximately \$80 million in anticipated projects in Fiscal Year 2025-26. To deliver this program, the city uses a combination of City staff and contracted project management professionals. One of the firms contracted to perform project management work for the Water Utilities Department is Ardurra Group, Inc. (Ardurra). Contracted project management support allows the city to efficiently scale resources to match fluctuating construction schedules while maintaining schedule control and technical oversight.

On December 18, 2019, following a competitive Request for Proposals process, the City Council awarded a Professional Services Agreement (PSA) to Infrastructure Engineering Corporation (IEC) for Project Management Services in the amount of \$873,600.

On November 2, 2022, Council approved Amendment 1 to the agreement in the amount of \$954,720. The amendment increased funding to continue project management services for on-going projects and extended the contract term.

On December 11, 2025, Amendment 2 was processed administratively to add time to the contract and combine two separate project manager contracts into one agreement. No additional funds were added under Amendment 2.

This Amendment 3 would add \$1,369,680 and extend the term through June 30, 2028, to allow the incumbent project managers to complete important projects currently underway and bring continuity and knowledge of the City's infrastructure to new and existing projects.

Ardurra currently provides project management services for several complex and high-profile capital improvement projects, including complex and high-profile efforts such as the Sewer Progressive Design-Build Project, Downtown Recycled Water Pipeline Condition Assessment, La Salina Wastewater Treatment Plant Press Building and Structural Improvements, and the Mission Basin Groundwater Purification Facility Wells Expansion and Brine Minimization Project.

The assigned project managers have been involved in these projects through key phases and have developed project-specific knowledge. Continuing with the same project managers will support consistency and minimize disruption as these critical projects move forward. Additionally, these projects involve multi-year construction, regulatory coordination, cost control, and risk management.

One of the assigned project managers is overseeing two major projects with an estimated combined construction value of approximately \$160 million over the next four years. The proposed amendment amount represents under one percent of that managed construction value over the same timeframe.

Approval of Amendment 3 will allow uninterrupted management of critical infrastructure projects while the City evaluates future contracting strategies.

FISCAL IMPACT

The total not-to-exceed amount of Amendment 3 is \$1,369,680 for services, through June 30, 2028. The project management costs are charged against the capital projects that they are assigned to manage and may vary as some projects end and new projects begin.

Given the scale and complexity of the projects being managed, the cost of these service represents a relatively small proportion of overall capital project expenditures and supports technical and effective oversight, cost control, schedule management, and risk mitigation.

Table 1 below outlines how the FY 2025-26 portion of the contract will be funded. Fiscal Years 2026-27 and 2027-28 will be funded as part of the Department’s CIP budget.

Table 1

Description	Account	Amount	Available	Balance
BV LS Replacement / Rehab	909149117722.5305.10400	5,000	730,708	725,708
Camp Pendleton Condition Assessment	909193324722.5305.10400	\$10,000	\$100,000	90,000
Dwntwn recycled condition assessment	908170821712.5305.10400	\$7,500	\$554,224	546,724
La Salina Major Improvements	909122700722.5703.10600	20,000	199,882	179,882
Land Outfall	909548800722.5305.10600	10,000	1,592,500	1,582,500
Leisure Village LS Rehab-Design	909198025722.5305.10400	15,000	232,500	217,500
Lift Station Upgrades	909953000722.5305.10400	-		-
Loma Alta Slough Wetlands Grant	822196024274.5305	20,000	1,419,077	1,399,077
Lucky St Swr Rplcmnt	909203125722.5305.10600	15,000	25,000	10,000
Lucky St Wtr Rplcmnt	908203125712.5305.10600	15,000	25,000	10,000
MBGPF Brine Minimization & Wells Expansion	908158419712.5305.10600	22,000	110,422	88,422
Mission Ave FM	909164020722.5305.10600	10,000		(10,000)
OMG FM (PDB)	909157319722.5305.10600	10,000	428,125	418,125
OMG LS	909163920722.5305.10600	10,000	710,085	700,085
Point Repair Program	909153318722.5305.10600	15,000	98,781	83,781
Pure Water Oceanside Phase III	908175822715.5305.10220	5,100	252,054	246,954
Sewer Capital Projects	800010722.5306	11,470	46,094	34,624
SF Peak PS Upgrades-Design	908754500712.5305.10600	5,000	15,000	10,000
SLR Digester 2 Rehab-Design	909204325722.5305.10400	10,000	10,000	-
SLRWRF Dig Rehab	909123100722.5305.10600	10,000	356,595	346,595
Water Pipeline Replacement	908163620712.5305.10600	10,000	35,771	25,771
Totals:		\$ 236,070	\$ 6,941,818	\$ 6,705,748

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Funding for water projects will be provided through Water Sales and Water Meter Charges in the Water Fixed Asset Replacement Fund (712). Funding for Recycled Water and Expansion Projects will

be funded primarily by Developer Fees in the Water Expansion Fund (715). Funding for sewer projects will be provided through Sewer Service and Sewer Flow Fees in the Sewer Fixed Asset Replacement Fund (722).

COMMISSION OR COMMITTEE REPORT

The Utilities Commission will be apprised of this amendment at its regularly scheduled meeting on March 17, 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. Staff Report
2. Amendment 3