



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 26-1459

Agenda Date: 6/17/2026

Agenda #: 13.

DATE: June 17, 2026

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: AUTHORIZE ANNUAL WATER UTILITIES PURCHASES IN AMOUNTS OVER \$100,000 FOR EQUIPMENT, SUPPLIES, MATERIALS, CHEMICALS AND SERVICES

RECOMMENDATION

Staff recommend that the City Council:

- a. Approve annual purchase orders, agreements, and amendments with various vendors for the purchase of equipment, supplies, materials and services for the Water Utilities Department, in amounts over \$100,000 for FY 2026-27 for a total not-to-exceed amount of \$9,227,279 (includes \$120,000 from Public Works for Cintas Uniform Contract).
- b. Approve the purchase of chemicals in amounts over \$100,000 from various Water Utilities Department funds; authorize the Financial Services Director, or designee, to shift funds between the various suppliers for FY 2026-27, without returning to Council, so long as the budget of \$4,670,660 is not exceeded;
- c. Approve a five-year professional services agreement with VertexOne for a total contract amount not to exceed \$566,416;
- d. authorize the Financial Services Director, or designee, to execute the purchase orders;
- e. Authorize the City Manager, or designee, to execute the agreements and amendments upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

Each year, as part of the budget process, staff from the Water Utilities Department determine the quantity of supplies and materials, professional services and other special equipment that will be needed for water and sewer system maintenance and operation during the next fiscal year. Products and services are acquired through various means, including Requests for Proposals (RFPs), Cooperative Purchasing Agreements, Sole Source determinations, and Informal Bidding Procedures, as outlined in Administrative Directive AD-21 "Procurement of Goods and Services."

Staff is requesting approval of open purchase orders based on the estimate of annual purchases of goods and services and inventory replenishment for the upcoming fiscal year. The requested vendors, listed on the following page, provide reliable service and a delivery schedule that is compatible with Department requirements. Due to the number of purchases made throughout the year, staff believe that open purchase orders will provide the flexibility to more efficiently maintain the high quality of service the Department provides. Staff is requesting approval of the purchase orders and associated Professional Services Agreement Amendments and Public Works Agreement

Amendments as outlined in Attachment A.

Each fiscal year, as part of the budget process, staff from the Water Utilities Department determine the quantity of water and wastewater treatment chemicals required for treatment operations. On April 9, 2025, staff issued a Request for Proposals for the full list of chemicals to gain new multi-year pricing for water and wastewater treatment chemicals. The chemical market is volatile now, and suppliers have been announcing price increases on a regular basis. Staff issued the new RFP with the goal of gaining some pricing stability and certainty for the chemicals required for water and wastewater treatment.

Proposals were reviewed and a vendor or supplier was selected on the criteria of the best product provided for the purpose needed at the lowest price for FY 2026-27. Pricing was provided for multiple years and quotes provided from approved vendors are to implement efficiencies and to minimize the need to rebid annually.

It should be noted that these amounts are only estimates, based on historical use, current processes, and known pricing. A particular process may require more (or less) of a particular chemical, and the spending may vary accordingly. For this reason, staff is requesting authorization from the Council to spend an amount not to exceed \$4,670,660, as noted below, with the flexibility to move money between vendors as chemical consumption requires. Should spending in excess of \$4,670,660 be required, staff will return to Council with a request for additional authorization.

Based on California Revenue and Taxation Code section 6353, the sale of water and recycled water delivered to customers through mains, lines, or pipes is exempt from sales tax. Chemicals purchased to be used in the treatment of water are also exempt from sales taxes, providing the seller issues a resale certificate to the vendor from which the chemical is purchased. Staff will be issuing resale certificates to all applicable vendors, listed in Attachment B.

Services provided in the following list will be performed within City properties as part of new or amended Professional Services Agreements. No work will be performed until a properly executed agreement or amendment is signed by both the Contractor and the City.

- Ayala Engineering (pressure grouting and coating)
- Babcock Laboratories (NPDES regulatory testing),
- Brax Company (well rehabilitation; pump and motor repair)
- Carollo Engineering (financial advisory)
- Cintas (uniform rental)
- Clinical Labs (Pure Water and Title 22 analyses)
- Doherty Concrete (as needed concrete services)
- Ferguson Waterworks (AMI Software as a Service)
- Golden State Industrial Coatings, Inc. (facility painting services)
- Hawthorne Cat (generator maintenance & rental),
- Rancho Del Oro Landscaping (landscaping services),
- Retrofit Service Co (HVAC service),
- Sloan Electric (motor repair and rewinding)
- Synagro (sludge hauling)
- Vertex One-Watersmart Portal Services

Staff is requesting that Council approve vendors (Babcock, Ferguson Waterworks, Harrington Industrial Plastics, HydroPro Solutions, and Rockwell Solutions) as “sole source” (described in Attachment A) per City Code Chapter 28A, as vendors listed are the only providers of the product or service and not available from any other source.

FISCAL IMPACT

The net impact of encumbering these funds for purchase of goods and services for FY 2026-27 is \$9,227,279. The Department has programmed sufficient funds to cover these purchases in the budget that was approved by Council on June 3, 2026.

Table 1 shows the proposed budget and costs to each business unit for chemical purchases. The total is slightly more than that on Attachment B due to some chemicals being purchased with a total expense per vendor of less than \$100,000, mostly in the Sewer Collections budget.

Table 1

Business Unit	Proposed Budget FY 2026-27
Recycled Water Treatment 750704711.5355.0002	\$214,000
Weese Water Filtration Plant 750754711.5355.0002	777,338
Mission Basin Ground Water Purification Facility 750755711.5355.0002	117,376
Pure Water Oceanside 750775711.5355.0002	1,085,162
Total Water:	\$2,193,876
Sewer Collections 800803721.5355.0002	\$160,500
La Salina Wastewater Treatment Facility 800804721.5355.0002	391,727
San Luis Rey Water Reclamation Facility 800805721.5355.0002	1,924,557
Total Wastewater:	\$2,476,784
Combined Water and Wastewater Total:	\$4,670,660

Water sales and water meter fees in the Water Operating Fund (711) and Water Fixed Asset Replacement Fund (712), sewer flow and service fees in the Sewer Operating Fund (721) and Sewer Fixed Asset Replacement Fund (722), and Solid Waste Service Fees (731) are the funding sources for these purchases.

COMMISSION OR COMMITTEE REPORT

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

CITY ATTORNEY’S ANALYSIS

Purchases must comply with bid requirements set forth in Chapter 28A of the City Code. Professional Service Agreements and Public Works Agreements must be 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. Attachment A