



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-1100

Agenda Date: 12/17/2025

Agenda #: 21.

DATE: December 17, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Water Utilities Department

TITLE: AWARD A CONSTRUCTION CONTRACT TO BURTECH PIPELINE, INC. FOR THE DOWNTOWN WATER AND SEWER REPLACEMENT - PHASE II PROJECT AND AWARD A PROFESSIONAL SERVICES AGREEMENT WITH UNICO ENGINEERING FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES

RECOMMENDATION

Staff recommends that the City Council award a contract to Burtech Pipeline, Inc. in the amount of \$27,061,128, for the construction of the Downtown Water And Sewer Replacement - Phase II Project; authorize the City Engineer to execute change orders up to 15 percent of the construction contract amount for a total authorized construction budget of \$31,120,297; approve a Professional Services Agreement with Unico Engineering in a not-to-exceed amount of \$5,035,276 to provide Construction Management and Inspection Services for the Project; 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) operates and maintains hundreds of miles of pipelines in its water and sewer systems to serve residents and businesses. Much of this infrastructure has been in service for decades and requires replacement either because the condition has deteriorated, or the diameter is insufficient per current standards and needs. Pipelines in the downtown area have been assessed and are being replaced in phases as required.

Downtown Water and Sewer Replacement - Phase II (Project) is the second of five planned phases for water and sewer replacement in the downtown area. Phase 1 was completed in December of 2018 and included over 2.5 miles of water main replacement and 1.5 miles of sewer main replacement. Phase II includes 3 miles of sewer main replacement and over 2.5 miles of water main replacement. The Project also expands the recycled water system with nearly a mile of new recycled water main in the downtown area.

In conjunction with the water and sewer main construction, the project will incorporate construction restrictions to maintain public access and traffic throughout the project duration. These restrictions include no construction during the summer tourist season in areas closer to the coast, as well as limited construction hours on busy streets and intersections. The contractor will also be required to maintain bi-directional vehicle traffic and pedestrian traffic at all times, or to perform night work where

appropriate.

The Project was advertised for construction bids on September 16, 2025, and on October 28, 2025, six bids were received and formally opened. The apparent low bidder is Burtech Pipeline, Inc. with a total bid in the amount of \$27,061,128. Attachment A includes the list of bidders and bid amounts.

In addition to the bid advertisement, the City issued a Request for Proposal (RFP) on September 22, 2025, seeking qualified consultants to provide construction management and inspection services for the Project. Seven qualified consulting firms submitted proposals before the October 15, 2025 deadline. The proposals were reviewed and evaluated by a selection committee based on the criteria outlined in the RFP. Three teams were short-listed and interviewed. Following the selection process, Unico Engineering was determined to be the most qualified consultant based on its expertise, relevant project experience, and approach to the scope of work. In addition to construction management and inspection services, their scope of work will include public outreach, geotechnical services, as well as environmental compliance.

Work is anticipated to commence in January 2026, with both the construction contract and professional services agreement for construction management services anticipated to last approximately two and one-half years. The City will continue to utilize its existing professional services agreement with Kimley Horn and Associates for engineering services during construction.

FISCAL IMPACT

The construction contract amount with Burtech Pipeline, Inc. is \$27,061,128. A 15 percent construction contingency is included to address potential additional work, unforeseen conditions, and necessary field changes, bringing the total estimated construction cost to \$31,120,297. The proposed agreement with Unico Engineering for construction management and inspection services is \$5,035,276.

The Project will be charged to the Downtown Water Pipeline Replacement Phase 2/5 account (908135716712.5703.10600) and Downtown Sewer Pipeline Replacement Phase 2/5 account (909136716722.5703.10600), which respectively have current available balances of \$4,463,632 and \$4,065,158, with additional funds programmed in the FY 2025-26, 2026-27, and 2027-28 forecasted budgets; therefore, there will be sufficient funding through the life of the Project.

In addition, the recycled water improvement portion of the Project is partially funded via a California Department of Water Resources Integrated Water Resources Management (IRWM) Prop 1 grant and a US Bureau of Reclamation Water Infrastructure Improvements for the Nation Act grant received in partnership with the North San Diego Water Reuse Coalition's Regional Recycled Water Program.

Description	Amount	Account Number	Available Balance
Burtech Pipeline FY25-26 w/15% contingency	\$ 4,000,000 4,000,000	908135716712.5703.10600 909136716722.5703.10600	\$ 4,463,632 4,065,158
FY26-28 w/15% contingency	23,120,297		
Construction Budget	31,120,297		
Unico CM&I PSA FY25-26	1,430,000 570,000	908135716712.5305.10600 909136716722.5305.10600	1,791,190 573,328
FY26-28	3,035,276		
PSA Amount	5,035,276		
FY25-26 TOTAL	10,000,000		\$10,893,308
FY26-28 TOTAL	26,155,573		Future Budget Process
PROJECT TOTAL	\$36,155,573		

Future years' costs will be programmed during the normal budget process.

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. State and federal grant funds will contribute to the recycled water main segment.

ENVIRONMENTAL ANALYSIS

The Project was unanimously approved by City Council on November 5, 2025, including a recommendation to confirm a CEQA categorical exemption and consideration of a Regular Coastal Permit (RRP25-00003). Staff reviewed the project for compliance with the Local Coastal Program's (LCP) requirements and found it to be consistent with the coastal policies and guidelines outlined in the LCP land use plan. For environmental review, staff found the project is Categorically Exempt pursuant to CEQA Guidelines Article 19 (Categorical Exemptions), Sections 15302 "Replacement or Reconstruction" and 15303 (New Construction or Conversion of Small Structures).

COMMISSION OR COMMITTEE REPORT

The Utilities Commission approved Staff's recommendation at its regularly scheduled meeting on November 18, 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 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: Neil Irani, Senior Civil Engineer

Approved by: Frederick Mayo, Water Utilities Director

Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Bid Tabulation
3. Burtech PWA
4. Unico PSA