



# CITY OF CARSON

## Legislation Text

File #: 2020-516, Version: 1

### Report to Mayor and City Council

Tuesday, July 21, 2020

Consent

#### SUBJECT:

**CONSIDER APPROVAL OF PLANS, SPECIFICATIONS AND ESTIMATES, AND AWARD OF A CONSTRUCTION AND MATERIALS PURCHASE CONTRACT FOR RUBBERIZED SLURRY SEAL PROJECT NO. 1413-3: CITYWIDE ANNUAL RUBBERIZED SLURRY SEAL PROGRAM (CITY COUNCIL)**

#### I. SUMMARY

The plans, specifications and estimates (PS&E) for Project No. 1413-3: Citywide Annual Rubberized Slurry Seal Program (Exhibit Nos. 1 and 2), have been completed, and the project is now ready for construction.

Staff requests that the City Council approve the PS&E, and award a Construction and Materials Purchase Contract to Petrochem Materials Innovations, LLC (PMI), to piggyback on a competitively bid contract between the City of Los Angeles and PMI.

#### II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the plans, specifications and estimates, location map, location list, and order the work for Project No. 1413-3: Citywide Annual Rubberized Slurry Seal Program.
2. MAKE the finding that the proposed Citywide Annual Rubberized Slurry Seal Program is categorically exempt pursuant to Section 15301, 15301(c), and 15301(d) of the California Environmental Quality Act guidelines.
3. AUTHORIZE staff to record the "Notice of Exemption" in the office of the Los Angeles County Clerk for the Citywide Annual Rubberized Slurry Seal Program.
4. WAIVE the formal bid process defined by the Carson Municipal Code, Section 2611, as allowed by Section 2611(f).
5. AUTHORIZE the City of Carson to piggyback on a competitively bid contract between the City of Los Angeles and Petrochem Materials Innovations, LLC.
6. Award a Construction and Materials Purchase Contract to Petrochem Materials Innovations, LLC, in the amount of \$639,146.62 for the Citywide Annual Rubberized

Slurry Seal Program (Exhibit No. 3).

7. AUTHORIZE the expenditure of construction contingences in the amount of \$63,914.66 (10%) for any unforeseen construction work such as material testing, and other work that may be necessary to complete this project.
8. AUTHORIZE the Mayor to execute the Construction and Materials Purchase Contract following approval as to form by the City Attorney.

### **III. ALTERNATIVES**

1. DO NOT APPROVE the PS&E, and DO NOT AWARD a Construction Contract.
2. TAKE another action the City Council deems appropriate consistent with the requirements of the law.

### **IV. BACKGROUND**

Project No. 1413-3: Citywide Annual Rubberized Slurry Seal program is listed in the City's Capital Improvement Program. This project is typically funded by Infrastructures / Roadways funds (Gas Tax fund and Measure M fund).

The City has been utilizing rubberized slurry seal on city streets due to its superior benefits over conventional slurry seal in preventing deterioration of the existing pavement. Application of rubberized slurry seal is the best-cost effective approach extending pavement life, preserving structural capacity, and providing quality service to the traffic.

Based on the recommendation from the City's Pavement Management Program (PMP) updated report completed in January 2017 and the available funds, staff performed field inspection and site evaluation to determine the area which has the most need of slurry sealing at this time. In an effort to take advantage of economies of scale, staff focused on Maintenance Zone Nos. 4 and 5 which have the highest need for this type of roadway surface treatment. The majority of the residential streets within this project are bordered by the 405 Freeway, Wilmington Avenue, 213<sup>th</sup> Street, 223<sup>rd</sup> Street and Bonita Street. The attached Location List identifies the street names and limits of the rubberized slurry seal quantities. Staff also included the following four City Parks' parking lots as part of this project: Del Amo Park (CIP Project No.1401), Stevenson Park (CIP Project No. 1410), Dominguez Park (CIP Project No. 1417), and Calas Park (CIP Project No. 1418), given that these parking lot areas are also in need of the same surface treatment.

The PS&E were prepared and completed by the City's Engineering staff. Based on California Environmental Quality Act (CEQA) guidelines, the proposed projects are categorically exempt. The following sections apply to the Citywide Annual Rubberized Slurry Seal Program:

- Section 15301 of CEQA includes the type of existing facilities/projects that are categorically exempt:
  - Section 15301(c): Existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities (this includes road grading for the purpose of public safety).

- Section 15301(d): Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety, unless it is determined that the damage was substantial and resulted from an environmental hazard such as an earthquake, landslide, or flood.

The City of Los Angeles competitively bid a Slurry, Premix, Rubberized Emulsion Aggregate Slurry (REAS) annual contract by issuing Bid Event 4672. Bid Event (EV) 4672 was advertised on the City of Los Angeles' website. The City of Los Angeles opened bids on October 15, 2015, at 1:00 p.m., and the lowest responsive and responsible bid was from PMI. The City of Los Angeles signed a 2-year contract with PMI, commencing January 1, 2016 and ending December 31, 2017. The City of Los Angeles has the option to renew the contract for five additional one year periods. Renewal shall be on annual basis and under the same terms and conditions of the original contract.

Prior to the expiration of the contract in 2017, the City of Los Angeles requested PMI and other slurry seal vendors to submit slurry seal samples for testing, quality control, and to guarantee that the material met the current City standard specifications. Slurry seal samples were forwarded to the City of Los Angeles' Standards Division for analysis, and PMI's submittal was determined to be the most qualified slurry material. Therefore, the City of Los Angeles renewed the contract with PMI for calendar year 2018, with five additional one year period renewal options.

The following is a comparison analysis between a piggyback contract and a regular construction contract:

- Based on the bid submitted by PMI to the City of Los Angeles, the unit cost of a Type II Slurry Material is \$2.11/gal. Each gallon covers an approximate roadway surface area of 10 S.F., resulting in a unit cost of \$.21/S.F. Using this unit cost of slurry materials and adding the cost of other related necessary items such as equipment, labor, and street sweeping, the resulting unit cost for Project No. 1413-3 is \$0.35657/S.F. Therefore, the total project cost based on PMI's current piggyback contract that includes slurry sealing of 1,792,483 SF of the roadway surface, is estimated to be \$639,146.62.
- On the other hand, the cost of slurry seal based on the City's completed project in 2012 by a different contractor (All American Asphalt, Inc.) for Project 1303 & 1304 was \$0.510/S.F. This cost was calculated based on All American Asphalt's total contract of \$419,145.20 for a project with a roadway surface area of 821,850 S.F.

From the information above, it appears that with a piggyback contract, the City would have an overall savings of approximately \$275,021.00. Please note that the unit price used for the cost comparison was from year 2012, and inflation rate was not considered in the calculation. If an inflation rate of 3% per year is factored into the calculation, a higher amount of savings would be achieved.

The City's Purchasing Manager found that the proposed PMI contract meets the requirements for a piggyback purchase in accordance with CMC§2611(f), except the striping portion of the project, which will be covered by a separate striping contract under the currently advertised Invitation for Bid (IFB Number 20-03).

Staff is requesting that the City Council waive the formal bid process as allowed by Section 2611(f) (Exhibit No. 4), and award a Construction and Materials Purchase Contract to PMI in the not-to-exceed amount of \$639,146.62. It should be noted that CMC §2611(f), which enumerates exceptions to bidding requirements for purchases other than public projects, applies to Project No. 1413-3 because the subject project is not a public project for bidding purposes pursuant to Public Contract Code §22002 because it involves resurfacing of streets at less than one inch, instead rendering it a maintenance project.

The approximate timeline and the status of this project are as follows:

Approval of PS&E, Award of Construction and Materials Purchase Contract	July 21, 2020
Start of Construction	August 2020
Completion of Construction	October 2020

## V. FISCAL IMPACT

There is no fiscal impact. The City Council approved the CIP budget at the June 16<sup>th</sup> meeting. The estimated material purchase and construction costs of \$639,146.62 and the 10% contingency cost of \$63,914.66 will be covered by the available Infra / Roadways funds in the amount of \$900,000.00 included in the adopted Fiscal year 2020-2021 budget.

The project funding sources, account numbers and amounts are as follows:

Fund Source	Estimated Project Cost	FY 2020/21 Budget	Account No.
Infra/Roadways (Gas Tax and Measure M)		\$900,000.00	281-80-820-904-8009/0141301
PMI Contract	\$639,146.62		
Contingency (10%)	\$63,914.66		
<b>TOTAL</b>	<b>\$703,061.28</b>	<b>\$900,000.00</b>	

## VI. EXHIBITS

1. Location Map. (pg. 5)
2. Location List. (pgs. 6-7)
3. Construction and Materials Purchase Contract to Petrochem Materials Innovations, LLC. (pgs. 8-62)
4. Carson Municipal Code, Section 2611. (pgs. 63-66)

Prepared by: Gilbert Marquez, City Engineer, and Rick Boutros, P.E., Associate Civil Engineer