



Legislation Text

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Report to Mayor and City Council

Tuesday, September 06, 2022

Discussion

SUBJECT:

CONSIDER APPROVAL OF PLANS, SPECIFICATIONS AND ESTIMATES, AND AWARD OF A CONSTRUCTION AND MATERIALS PURCHASE CONTRACT FOR RUBBERIZED SLURRY SEAL PROJECT NO. 1763: CITYWIDE RUBBERIZED SLURRY SEAL PROGRAM

I. SUMMARY

The plans, specifications, and estimates (PS&E) for Project No. 1763: 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. The total cost of the slurry sealing project is anticipated to be \$2,733,266.25 (\$3,143,256.19 including a 15% contingency). The funding is from the American Rescue Plan Act of 2021 (ARPA) received by the City from the Federal government.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the plans, specifications and estimates, location map, location list, and order the work for Project No. 1763: Citywide Rubberized Slurry Seal Program.
2. MAKE the finding that the proposed Citywide 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 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 \$2,733,266.25 for the Citywide Rubberized Slurry Seal Program (Exhibit No. 3).
7. AUTHORIZE the expenditure of construction contingencies for \$409,989.94 (15%) 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

The City has a comprehensive citywide street rehabilitation program. Slurry sealing which is primarily done on residential streets on an annual basis, rotating throughout neighborhoods. This year, the City will use of a portion of the American Rescue Plan Act of 2021 (ARPA) funds received from the Federal government to slurry streets citywide in a project that is 3-4 times the size of a normal year in an effort to catch up from underfunding slurry in previous years. On June 7, 2022, City Council allocated \$3.5M of its ARPA funds for street improvements. Public Works will use this fund to slurry seal approximately 35 miles of streets throughout the City in a geographically equitable manner. Project No. 1763: Citywide Rubberized Slurry Seal program is listed in the City's Capital Improvement Program utilizing the ARPA funds. To take advantage of economies of scale, and to complete the project in an expedited manner, staff recommends the waiver of the formal bidding process and authorizing the use of "piggybacking" procurement under the City's Purchasing Ordinance that allows the City of Carson to use the City of Los Angeles' competitive bidding process for the same services which will provide significant cost savings and allow more streets to be done for the same money.

The City has been utilizing rubberized slurry seal 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 to extending pavement lives, preserving structural capacity, and providing quality service to the traffic. The process

begins with crack sealing, which is what PW's maintenance crews completed and budgeted for FY 22/23.

Based on the recommendation from the City's Pavement Management Program (PMP) updated report completed in February 2022 and the available funds, staff performed field inspections and site evaluations to determine the areas which have the most need of slurry sealing at this time. This project consists of repairing approximately 35 miles of residential streets spread out evenly throughout the City's four City Council districts. The attached Location List (Exhibit 2) identifies the street names and limits of the rubberized slurry seal quantities.

The PS&E was prepared and completed by the City's Engineering staff. Based on California Environmental Quality Act (CEQA) guidelines, the proposed project is 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 had 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.

Before 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 the calendar year 2018, with five additional one-year period renewal options. The contract has now been renewed until December 31, 2022.

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 \$2.34/gal. Each gallon covers an approximate roadway surface area of 10 S.F., resulting in a unit cost of \$.23/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. 1763 is \$0.43/S.F. Therefore, the total project cost based on PMI's current piggyback contract which includes slurry sealing of 6,200,000 SF of the roadway surface, is estimated to be \$2,733,266.25.

- 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 Projects 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. In the year 2022, using a conservative inflation rate of 2% per year, the same project would cost \$0.64/S.F. (\$525,984.00)

From the information above, it appears that with a piggyback contract, the City would have an overall savings of approximately \$1.25M.

The proposed PMI contract meets the requirements for a piggyback purchase in accordance with CMC§2611(f), except for the striping portion of the project, which will be done in-house with City crews.

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 \$2,733,266.25. It should be noted that CMC §2611(f), which enumerates exceptions to bidding requirements for purchases other than public projects, applies to Project No. 1763 because the subject project is not a public project for bidding purposes under 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 - - - - - September 6, 2022
- Start of Construction - - - - - September 26, 2022
- Complete Construction - - - - - December 30, 2022

V. FISCAL IMPACT

None. The estimated material purchase and construction costs of \$2,733,266.25 and the 15% contingency cost of \$409,989.94 will be completely covered by the American Rescue Plan Act (ARPA) funds included in the adopted 5-year CIP plan under account 299-80-820-904-7020 for Project No. 1763. The total cost of the project is anticipated to be \$2,733,266.25 (\$3,143,256.19 including a 15% contingency).

VI. EXHIBITS

1. Location Map. (pg. 6)
2. Location List. (pgs. 7-13)
3. Construction and Materials Purchase Contract with Petrochem Materials Innovations, LLC. (pgs. 14-88)
4. Carson Municipal Code, Section 2611. (pgs. 89-92)

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