



**STAFF REPORT**  
**4/13/2022**

**TO:** Honorable Mayor and City Council Members

**FROM:** Andrew Simmons, P.E., City Engineer

**SUBJECT:** Construction Contract with Petrochem Materials Innovation, LLC (PMI) in the amount of \$292,890.24 plus 20% contingency for the Street Pavement Rehabilitation Phase 17, City Project ST-105.

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**STAFF RECOMMENDATION:**

Authorize a construction contract with Petrochem Materials Innovation, LLC (PMI) in the amount \$292,890.24 plus 20% contingency for the Street Pavement Rehabilitation Phase 17, City Project ST-105.

**BACKGROUND:**

In order to increase the lifespan of the City's street infrastructure, preventative maintenance is necessary. With preventative maintenance, a street's useful life can be extended before costly reconstruction is required. City's streets are in acceptable condition, but in need of preventative maintenance. Staff recommends Rubberized Emulsion Aggregate Slurry (REAS) that will seal coat as many streets as possible to avoid significant roadway decay. Staff also recommends, "Piggybacking" on the City of Los Angeles contract, allowing the City to crack seal and slurry seal 323,737 square feet of residential streets at an estimated cost of \$292,890.24 plus contingency. The attached proposed street improvement exhibit shows the streets to be covered under contract.

**DISCUSSION/ANALYSIS:**

The City is utilizing the competitive procurement process undertaken by the City of Los Angeles "Piggybacking" to select Petrochem Materials Innovation, (City of Los Angeles Contract ID #59680). The City's Municipal Code, allows for the City to utilize competitive pricing or bidding that has already been undertaken by a federal, state, county or other local agency provided the proposed purchases will be sold to the City at the same or a better price by the awarded vendor. The City of Los Angeles underwent a competitive procurement process for street REAS overlay seal coating in which competitive bids were received and Petrochem Materials Innovation, LLC was selected as the lowest responsive bidder.

Premix REAS has been utilized in other Valley Cities, such as Rancho Mirage and the City of Indio, with good results most notably on Highway 111 through Rancho Mirage. The agreement

provides for quality control and material engineering. Areas to receive this treatment include Las Plumas Neighborhood, District 25 and Valencia Neighborhood, District 36.

**BUDGET:**

The proposed estimated budget is based on the approved price list within the City of Los Angeles contract, which includes prices per gallon for slurry as well as labor and equipment rates. The City worked with the contractor to estimate a cost per square foot based on expected labor, materials and equipment usage for the project and determined that a rate of approximately \$0.52 per square foot would be applicable estimate to the project. Total project cost estimates are presented below:

<b>LAS PLUMAS AND VALENCIA COMBINED PRICING ESTIMATE</b>					
<b>NO.</b>	<b>ITEM DESCRIPTION</b>	<b>UNIT OF MEASURE</b>	<b>EST. QTY.</b>	<b>UNIT PRICE</b>	<b>ITEM COST</b>
1	Mobilization	LS	1	\$10,000	\$10,000
2	Traffic Control	LS	1	\$24,160	\$24,160
3	Furnish & Install Type II Rubberized Emulsion Aggregate Slurry (REAS)	SF	323,737	\$0.52	\$168,343.24
4	Crack Cleaning & Filling	LS	1	\$68,768	\$68,768
5	Remove and Replace Existing Striping in Thermoplastic	LS	1	\$21,619	\$21,619
Construction Subtotal					\$292,890.24
20% contingency					\$58,578.05
<b>Total</b>					<b>\$351,468.29</b>

**FISCAL IMPACT:**

The project has been included in the City’s approved CIP FY 2021/22 budget. The contract amount of \$292,890.24 and contingency in an amount of \$58,578.05 will be funded with Measure A (Fund 117) and SB1 (Fund 109).

**ATTACHMENTS:**

1. Construction Contract
2. Contract Exhibits and Attachments