

TERM CONTRACT AWARD		CONTRACT NO: MA-IS-2440097-1	VERSION DATE
INTERNAL SERVICES DEPARTMENT	PROCUREMENT FOLDER: 2713122		
<p>PETROCHEM MATERIALS INNOVATION LLC</p> <p>6168 INNOVATION WAY</p> <p>CARLSBAD CA 92009</p>		BUYER: Peter Genov PHONE: 323-267-2297 EMAIL: pgenov@isd.lacounty.gov	VENDOR NO: 169499 CONTACT: FRANK HOFF PHONE: 760-603-0961
		FISCAL YEAR: EFFECTIVE DATE: 01/09/24 EXPIRATION: 01/08/27	

REAS EMULSIONS - 3 YEAR AGREEMENT

LINE NO.	COMMODITY/SERVICE DESCRIPTION	QUANTITY	UOM	PRICE TYPE	VALUE
1	COMMODITY CODE: 745-84-00-048439 REAS TYPE 1 CENTRAL MIX	0.000	GAL	ITEM	\$ 2.890000
2	COMMODITY CODE: 745-84-00-048440 REAS TYPE 2 CENTRAL MIX	0.000	GAL	ITEM	\$ 2.520000
3	COMMODITY CODE: 745-84-00-048441 REAS TYPE 3 CENTRAL MIX	0.000	GAL	ITEM	\$ 2.520000
4	COMMODITY CODE: 770-09-00-026337 CIR EMULSION	0.000	GAL	ITEM	\$ 4.000000
5	COMMODITY CODE: 745-84-00-048439 TYPE II RAP CENTRAL MIX	0.000	GAL	ITEM	\$ 2.650000
6	COMMODITY CODE: 745-84-00-048439 TYPE II CENTRAL MIX (W/76-22 BINDER)	0.000	GAL	ITEM	\$ 2.800000
7	COMMODITY CODE: 745-84-00-048439 MODIFIED ASPHALT BINDER (WITH A/C)	0.000	TON	ITEM	\$ 800.000000
8	COMMODITY CODE: 745-84-00-048439 TYPE FINE CENTRAL MIX (WITH A/C)	0.000	GAL	ITEM	\$ 3.400000
9	COMMODITY CODE: 745-84-00-048439 MATERIAL DELIVERY DELIVERY CHARGES BASED ON A "PER GAL/PER MILE" COST (ONE WAY) TO DELIVER THE MATERIAL FROM THE PLANT TO THE DELIVERY LOCATION	0.000	MILE	ITEM	\$ 0.400000
10	COMMODITY CODE: 745-84-00-048439 SELF-CONTAINED AGITATOR TANKER - RENTAL 3,000-4,000 GALLON / EACH LOAD	0.000	LOAD	ITEM	\$ 300.000000

Peter Genov



01/09/2024 01:13 PM PST

TL

Frank Hoffman



01/09/2024 01:34 PM PST

COUNTY OF LOS ANGELES

VENDOR SIGNATURE/DATE

PRICE SHEET

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LINE NO.	COMMODITY/SERVICE DESCRIPTION	QUANTITY	UOM	PRICE TYPE	VALUE
11	COMMODITY CODE: 745-84-00-048439 SLURRY TRUCK WITH DRIVER	0.000	HOUR	ITEM	\$ 405.000000
12	COMMODITY CODE: 745-84-00-048439 SLURRY BOX - BARE	0.000	DAY	ITEM	\$ 350.000000
13	COMMODITY CODE: 745-84-00-048439 PUMPER-TRANSFER OPERATOR INCLUDING UTILITY TRUCK & PUMP	0.000	DAY	ITEM	\$ 1960.000000
14	COMMODITY CODE: 745-84-00-048439 APPLICATION TRUCK - BARE	0.000	HOUR	ITEM	\$ 285.000000
15	COMMODITY CODE: 745-84-00-048439 SERVICE HAUL TRUCK - BARE	0.000	DAY	ITEM	\$ 350.000000
16	COMMODITY CODE: 745-84-00-048439 RENTAL - SWEEPER (OPERATED)	0.000	HOUR	ITEM	\$ 306.000000
17	COMMODITY CODE: 745-84-00-048439 RENTAL - SWEEPER OVERTIME (OPERATED)	0.000	HOUR	ITEM	\$ 408.000000
18	COMMODITY CODE: 745-84-00-048439 RENTAL - SWEEPER SUNDAY/ HOLIDAY (OPERATED)	0.000	HOUR	ITEM	\$ 408.000000
19	COMMODITY CODE: 745-84-00-048439 SUPERVISOR / TRAINER (PER DAY/PER TRAINER)	0.000	DAY	ITEM	\$ 2000.000000
20	COMMODITY CODE: 745-84-00-048439 LABOR: OPERATORS, SQUEEGEE MEN, DRIVERS, PUMPER & POSTING & NOTIFYING LABOR	0.000	HOUR	ITEM	\$ 120.000000
21	COMMODITY CODE: 745-84-00-048439 LABOR: OVERTIME RATE-WEEKDAY	0.000	HOUR	ITEM	\$ 173.000000
22	COMMODITY CODE: 745-84-00-048439 LABOR: OVERTIME RATE-WEEKEND	0.000	HOUR	ITEM	\$ 173.000000
23	COMMODITY CODE: 745-84-00-048439 TRAFFIC CONTROL BARRICADES - BARE	0.000	DAY	ITEM	\$ 2000.000000
24	COMMODITY CODE: 745-84-00-048439 TRAFFIC CONTROL PLANS - PER PAGE	0.000	EA	ITEM	\$ 200.000000
25	COMMODITY CODE: 745-84-00-048439 TRAFFIC CONTROL, CHANGEABLE MESSAGE SIGNS - EACH PER DAY	0.000	EA	ITEM	\$ 225.000000
26	COMMODITY CODE: 745-84-00-048439	0.000	EA	ITEM	\$ 2500.000000

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LINE NO.	COMMODITY/SERVICE DESCRIPTION	QUANTITY	UOM	PRICE TYPE	VALUE
27	PLANT OPENING FEES: SATURDAY, SUNDAY, HOLIDAY COMMODITY CODE: 745-84-00-048439	0.000	GAL	ITEM	\$ 1.500000
28	RESTOCKING OF UNUSED MATERIAL BROUGHT BACK TO THE PLANT (END OF PROJECT) NOT TO EXCEED \$1,500.00 PER TRUCK OR TRAILER COMMODITY CODE: 745-84-00-048439 STAND-BY TIME	0.000	HOUR	ITEM	\$ 0.000000

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1.0 SPECIAL TERMS AND CONDITIONS

1.1 THE AGREEMENT PERIOD IS FROM 01-09-2024 TO 01-08-2027, INCLUSIVE, WITH OPTION TO EXTEND FOR ADDITIONAL TWO (2) 12 MONTH PERIODS BY MUTUAL CONSENT.

1.2 UTILIZATION RECAPITULATION REPORT: 120 DAYS PRIOR TO TERMINATION OF AGREEMENT VENDOR SHALL FURNISH THE COUNTY OF LOS ANGELES WITH A LIST SHOWING AMOUNT OF EACH ITEM DELIVERED. THIS LIST SHALL BE BY INDIVIDUAL ITEM AND SHALL SHOW THE TOTAL DELIVERED TO COUNTY OF LOS ANGELES DURING THE PRIOR YEAR OR PORTION THEREOF. IN ADDITION, A TOTAL DOLLAR VALUE SOLD TO ALL PARTICIPATING AGENCIES DURING THE SAME PERIOD BE FURNISHED.

1.3 PLACING ORDERS:
FRANK B. HOFFMAN
PHONE: (760) 603-0961
FAX: (760) 603-0962
EMAIL: FRANK@PMITECHNOLOGY.COM

1.4 F.O.B.: DESTINATION

1.5 DELIVERY: 1 DAY AFTER RECEIPT OF ORDER

1.6 CASH DISCOUNT: 1% IN 20 DAYS. NET 30 DAYS

1.7 A PRICE ESCALATOR/DE-ESCALATOR PROVISION WILL APPLY ONLY ON THE PRICE OF REAS CENTRAL MIX, TYPE I, II AND III ON ANNUAL BASIS PER PROPOSAL SUBMITTED BY PETROCHEM MATERIALS INNOVATION, LLC IN A LETTER DATED DECEMBER 14, 2023. THE PROVISION WITH THE FORMULA TO BE USED FOR THE PRICE ADJUSTMENT ARE ATTACHED TO THIS AGREEMENT.

1.8 ALL OTHER TERMS AND CONDITIONS IN ACCORDANCE WITH SOLICITATION# RFB-IS-24200342

1.9 CANCELLATION:
THE COUNTY OF LOS ANGELES RESERVES THE RIGHT TO CANCEL ANY AGREEMENT FORMULATED FROM THIS INQUIRY, UPON 30 DAYS WRITTEN NOTICE. VENDOR MAY CANCEL ANY AGREEMENT FORMULATED FROM THIS INQUIRY AFTER INITIAL YEAR OF THE AGREEMENT PERIOD, UPON 90 DAYS WRITTEN NOTICE. THE COUNTY MAY CONTINUE TO PLACE ORDERS AGAINST THE AGREEMENT UNTIL THE EFFECTIVE DATE OF SUCH CANCELLATION.

1.10 CANCELLATION: THE COUNTY OF LOS ANGELES RESERVES THE RIGHT TO CANCEL THIS AGREEMENT/PURCHASE ORDER IF DELIVERY OR SERVICES PROVE UNSATISFACTORY (DEFAULT) AND MAY PROCURE THE ARTICLES OR SERVICES FROM OTHER SOURCES AND MAY DEDUCT FROM UNPAID BALANCE DUE THE VENDOR AND/OR MAY COLLECT AGAINST THE BOND OR SURETY FOR EXCESS COSTS SO PAID. THE PRICES PAID BY THE COUNTY OF LOS ANGELES SHALL BE CONSIDERED THE PREVAILING MARKET PRICE AT THE TIME SUCH PURCHASE IS MADE. COUNTY OF LOS ANGELES SHALL BE SOLE JUDGE AS TO SATISFACTORY PERFORMANCE.

1.11 INSURANCE COVERAGE REQUIREMENTS:
GENERAL LIABILITY: INSURANCE (WRITTEN ON ISO POLICY FORM CG 00 01 OR ITS EQUIVALENT) WITH LIMITS OF NOT LESS THAN THE FOLLOWING:
GENERAL AGGREGATE: \$2 MILLION
PRODUCTS/COMPLETED OPERATIONS AGGREGATE: \$2 MILLION
PERSONAL AND ADVERTISING INJURY: \$1 MILLION
EACH OCCURRENCE: \$1 MILLION

1.12 AUTOMOBILE LIABILITY: INSURANCE (WRITTEN ON ISO POLICY FORM CA 00 01 OR ITS EQUIVALENT) WITH A LIMIT OF LIABILITY OF NOT LESS THAN \$1 MILLION FOR EACH ACCIDENT. SUCH INSURANCE SHALL INCLUDE COVERAGE FOR ALL "OWNED", "HIRED" AND "NON-OWNED" VEHICLES, OR COVERAGE FOR "ANY AUTO".

1.13 WORKERS COMPENSATION AND EMPLOYER'S LIABILITY: INSURANCE PROVIDING WORKERS COMPENSATION BENEFITS. AS REQUIRED BY THE LABOR CODE OF THE STATE OF CALIFORNIA

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OR BY ANY OTHER STATE, AND FOR WHICH CONTRACTOR IS RESPONSIBLE. IF CONTRACTOR'S EMPLOYEES WILL BE ENGAGED IN MARITIME EMPLOYMENT. COVERAGE SHALL PROVIDE WORKERS COMPENSATION BENEFITS AS REQUIRED BY THE U.S. LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT, JONES ACT OR ANY OTHER FEDERAL LAW FOR WHICH CONTRACTOR IS RESPONSIBLE.

IN ALL CASES, THE ABOVE INSURANCE ALSO SHALL INCLUDE EMPLOYERS' LIABILITY COVERAGE WITH LIMITS OF NOT LESS THAN THE FOLLOWING:

EACH ACCIDENT: \$1 MILLION

DISEASE - POLICY LIMIT: \$1 MILLION

DISEASE - EACH EMPLOYEE: \$1 MILLION

1.14 INSURANCE CERTIFICATES:

CERTIFICATES OR AFFIDAVITS OF INSURANCE FOR PUBLIC LIABILITY, PROFESSIONAL LIABILITY, PROPERTY DAMAGE AND WORKER'S COMPENSATION MUST BE ON FILE IN THE OFFICE OF COUNTY PURCHASING AGENT THROUGHOUT THE PERIOD OF THIS AGREEMENT/PURCHASE ORDER. IF INSURANCE POLICIES ON WHICH THE CERTIFICATES OR AFFIDAVITS ARE ISSUED ARE CANCELLED OR CHANGED DURING THE PERIOD OF SUCH INSURANCE COVERAGE, WRITTEN NOTICE MUST BE RECEIVED BY THE COUNTY PURCHASING DEPARTMENT AT LEAST 30 DAYS PRIOR TO EFFECTIVE DATE OF SUCH CANCELLATION OR CHANGE.

1.15 INSURANCE: RESPONSIBILITY FOR OBTAINING EVIDENCE OF VENDOR INSURANCE FOR THE PROTECTION OF THE COUNTY RESTS WITH THE ORDERING DEPARTMENT. CERTIFICATES OF PUBLIC LIABILITY AND PROPERTY DAMAGE AND WORKER'S COMPENSATION INSURANCE MUST BE ON FILE IN OFFICE OF ORDERING DEPARTMENT BEFORE WORK CAN COMMENCE. ALL OPERATION OF VENDORS MUST BE COVERED, INCLUDING AUTOMOTIVE AND PREMISES OPERATIONS.

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The County of Los Angeles accepts your offer to furnish our requirements (and such requirements as may be ordered by cities and /or districts indicated herein) of the listed commodity, or service, as needed, subject to conditions of the stated quotation and as provided herein. All Purchase Agreements, Purchase Orders and Contracts will be deemed to be made and entered into the State of California under the constitution and laws of this state and are to be so construed.

PRICE GUARANTEE: Unless otherwise provided herein, prices are maximum for the period of this agreement. In the event of a price decline, or, should you at any time during the life of this agreement sell the same material or service under similar quantity and deliver conditions to the State of California, or legal district thereof, or to any county or Municipality within the State of California at prices below those stated herein, you will immediately extend such lower prices to the County of Los Angeles.

ATTENTION: VENDOR/DEPARTMENT - SPECIAL NOTE: County departments are not authorized to use this agreement as a purchasing source for products not specifically covered herein. Changes of items, equipment, or modifications to prices, specifications, or conditions, etc., of this agreement can be made only by the Purchasing Agent by issuance of official amendment and in accordance with properly authorized changes agreed upon prior to consummation.

Los Angeles County will not pay for items not listed below that have not been processed in accordance with the above paragraph. Vendor will incur payment problems.

County's Quality Assurance Plan. The County or its agent will evaluate Contractor's performance under this agreement on not less than annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County's determines are severe or continuing and that may place performance of the agreement in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this agreement or impose other penalties as specified in this agreement.

CONTRACTOR RESPONSIBILITY AND DEBARMENT

1. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.
2. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the contract, debar the Contractor from bidding on County contracts for a specified period of time not to exceed 5 years, and terminate any or all existing contracts the Contractor may have with the County.
3. The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.
4. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is, the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
5. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.
6. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
7. These terms shall also apply to (subcontractors/subconsultants) of County Contractors.

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PROHIBITION AGAINST USE OF CHILD LABOR

VENDOR shall:

1. Not knowingly sell or supply to COUNTY any products, goods, supplies or other personal property produced or manufactured in violation of child labor standards set by the International Labor Organizations through its 1973 Convention concerning Minimum Age for Employment.
2. Upon request by COUNTY, identify the country/countries of origin of any products, goods, supplies or other personal property bidder sells or supplies to COUNTY, and
3. Upon request by COUNTY, provide to COUNTY the manufacturer's certification of compliance with all international child labor conventions.

Should COUNTY discover that any products, goods, supplies or other personal property sold or supplied by VENDOR to COUNTY are produced in violation of any international child labor conventions, VENDOR shall immediately provide an alternative, compliant source of supply.

Failure by VENDOR to comply with the provisions of this clause will be grounds for immediate cancellation of this Purchase Order or termination of this Agreement and award to an alternative vendor.

A. Jury Service Program.

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

Should COUNTY discover that any products, goods, supplies or other personal property sold or supplied by VENDOR to COUNTY are produced in violation of any international child labor conventions, VENDOR shall immediately provide an alternative, compliant source of supply.

B. Written Employee Jury Service policy.

1. Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. This policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

2. For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard and is approved as such by the County. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a Copy of the Jury Service Program shall be attached to the agreement.

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3. If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the county's satisfaction that Contractor either continues to remain outside of the Jury service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

PRICE SPECIFIC CONTRACTS AND PURCHASE ORDERS

Vendors are entitled to receive payment for goods received by, or services provided to the county specific to the Contract or Purchase Order price amount. Under no circumstances will those Suppliers, Contractors or Vendors who supply goods or otherwise contract services with the County of Los Angeles be entitled to or paid for expenditures beyond the Contract or Purchase Order amounts. Vendors are prohibited from accepting prepayment for goods or services without the express written approval of the County Purchasing Agent.

ASSIGNMENT BY CONTRACTOR

A. Contractor shall not assign its rights or delegate its duties under the Agreement, or both whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by county to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's sole discretion, against the claims which Contractor, may have against county.

B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without county's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER (EFT)

1. The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an agreement or contract with the County shall be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

2. The Contractor shall submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

3. Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit shall supersede this requirement with respect to those payments.

FEDERAL UNIFORM GUIDELINE CLAUSE

By entering into this Contract/Purchase Order, the Contractor/Vendor agrees to comply with all applicable provisions of Title 2, Subtitle A, Chapter II, PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 C.F.R. § 200 et seq.

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COMPLIANCE WITH COUNTY POLICY OF EQUITY

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE), (<https://ccop.lacounty.gov/>). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.



PETROCHEM MATERIALS INNOVATION, LLC
PMITECHNOLOGY.COM
760-603-0961

December 14, 2023

Attention: Peter Genov
Purchasing & Contracts Analyst, Construction Acquisitions
County of Los Angeles - Internal Services Department

Subject: County of Los Angeles – Slurry, Pre-mix, REAS
RFQ: RFB-IS-24200342-1

Dear Peter,

As part of our quote on the above project, we request to include a price escalator/de-escalator only on the price of REAS Central Mix, Types I, II and III. These would be the RFQ line items 1, 2, 3, 5 and 6. With the fluctuating price of liquid asphalt used in making emulsion, we would like to propose a formulation to determine the price of the REAS Central Mix products that is used annually on an anniversary date. This is exactly what we do in our contract with the City of Los Angeles.

I have attached a sample calculation if at the anniversary date of 12/20/2024 the cost of our liquid asphalt hypothetically increased by \$40/ton. The basic primus is the following:

In each gallon of Premix REAS Type I there is the equivalent of:

36.17%	4.70 lbs of Emulsion/Asphalt
63.83%	8.30 lbs of slurry aggregate

In each gallon of Premix REAS Type II and III there are the equivalent of:

25.37%	3.42 lbs of Emulsion/Asphalt
74.63%	10.08 lbs of slurry aggregate

As per the calculation, if the price that we pay for liquid asphalt increases by \$40/ton, then the price of the REAS would increase for the next 12 months by \$0.06 and \$0.04 respectfully,

Conversely, if the price of asphalt decreases by \$40/ton, then the price of the REAS would decrease for the next 12 months by \$0.06 and \$0.04 respectfully.

Sincerely,

Frank B. Hoffman
C.F.O.

12/20/2024

Please see the attached narrative and copies of invoices for the justification for this increase.

Line #	Item Description	Base Contract Dec 20, 2023 Price	Proposed Price Increase as justified by the information below	Proposed Dec 20, 2024 Price
1	Premix REAS type I	\$ 2.89	\$ 0.06	\$ 2.95
2	Premix REAS type II	\$ 2.52	\$ 0.04	\$ 2.56
3	Premix REAS type III	\$ 2.52	\$ 0.04	\$ 2.57

In each gallon of Premix REAS Type I there is the equivalent of:

- 36.17% 4.70 lbs of Emulsion/Asphalt
- 63.83% 8.30 lbs of slurry aggregate

In each gallon of Premix REAS Type II and III there are the equivalent of:

- 25.37% 3.42 lbs of Emulsion/Asphalt
- 74.63% 10.08 lbs of slurry aggregate

Asphalt Prices at December 2024 for PG 70-10 rise to \$555.00 per liquid ton.

Asphalt Prices on December 2023 for 70-10 was \$515.00 per liquid ton as bid in current contract.

Asphalt Emulsion for Type I:

Asphalt Prices 12/20/2024	\$ 555.00
Asphalt Prices 12/20/2023	\$ 515.00
Increase in Asphalt Oil Costs per ton	\$ 40.00
Cost increase per lb.(\$40.00 / 2,000)	\$ 0.02000
2.96 lbs of Asphalt (4.7 lbs * 63%)	2.96
Increase per gallon of REAS Type I	\$ 0.06

Asphalt Emulsion for Types II and III & Type II RAP:

Asphalt Prices 12/20/2024	\$ 555.00
Asphalt Prices 12/20/2023	\$ 515.00
Increase in Asphalt Oil Costs per ton	\$ 40.00
Cost increase per lb.(\$40.00 / 2,000)	\$ 0.02000
2.15 lbs of Emulsion (3.42 lbs * 63%)	2.15
Increase per gallon of REAS Types II and III	\$ 0.04

Asphalt Prices at December 2024 for PG 76-22 rise to \$875.00 per liquid ton.

Asphalt Prices on December 2023 for 76-22 was \$835.00 per liquid ton as bid in current contract.

Asphalt Emulsion for Types II (w/ 76-22 Binder from Benicia):

Asphalt Prices 12/20/2024	\$ 875.00
Asphalt Prices 12/20/2023	\$ 835.00
Increase in Asphalt Oil Costs per ton	\$ 40.00
Cost increase per lb.(\$40.00 / 2,000)	\$ 0.02000
2.15 lbs of Emulsion (3.42 lbs * 63%)	2.15
Increase per gallon of REAS Types II w/ 76-22 Binder	\$ 0.04

Delivery: 1 Day A R O