



Agenda Report

Fullerton City Council

MEETING DATE: JUNE 16, 2026

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: STEPHEN BISE, P.E., PUBLIC WORKS DIRECTOR

PREPARED BY: DAVID GRANTHAM, P.E., CITY ENGINEER

SUBJECT: \$239,167.27 CONTRACT WITH PETROCHEM MATERIALS INNOVATION, LLC. FOR MISCELLANEOUS SLURRY SEAL – FISCAL YEAR 2025-26

SUMMARY

Award \$239,167.27 construction contract to Petrochem Materials Innovation, LLC for the Miscellaneous Slurry Seal – Fiscal Year (FY) 2025-26 Project.

PROPOSED MOTION

1. Approve Project 44703 Miscellaneous Slurry Seal – FY 2025-26 plans and specifications.
2. Approve the following budget transfers and appropriations in Project 44703 Miscellaneous Slurry Seal – FY 2025-26:
 - \$63,923 American Rescue Plan Act (ARPA) funds (Fund 38) budget transfer and appropriation from Project 44589 Residential Street Program to Project 44703 Miscellaneous Slurry Seal – FY 2025-26 within the Capital Projects Fund (Fund 74).
 - \$225,000 Measure M2 funds (Fund 25) budget transfer and appropriation from Project 44589 Residential Street Program to Project 44703 Miscellaneous Slurry Seal – FY 2025-26 within the Capital Projects Fund (Fund 74).
3. Award \$239,167.27 construction contract for Project 44703 Miscellaneous Slurry Seal – FY 2025-26 to Petrochem Materials Innovation, LLC and authorize the City Manager, or designee, to execute and administer the contract, in a form approved by the City Attorney.
4. Authorize Public Works Director, or designee, to approve any future change orders for construction and professional engineering construction support services within the approved project budget.

ALTERNATIVE OPTIONS

- Reject all bids or other alternatives
- Other options brought by City Council.

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Infrastructure and City Assets.

FISCAL IMPACT

The Fiscal Year 2025-26 Adopted Capital Improvement Program Budget has sufficient funding for the project provided from American Rescue Plan Act Funds and Measure M2 Funds. Staff recommends the following budget transfers and appropriation:

- \$63,923 American Rescue Plan Act funds (Fund 38) budget transfer and appropriation from Project 44589 Residential Street Program and Repair to Project 44703 Miscellaneous Slurry Seal – FY 2025-26 within the Capital Projects Fund (Fund 74).
- \$225,000 Measure M2 funds (Fund 25) budget transfer and appropriation from Project 44589 Residential Street Program to Project 44703 Miscellaneous Slurry Seal – FY 2025-26 within the Capital Projects Fund (Fund 74).

Staff attached a Budget Data Sheet / Summary of Bids and the Contractor Bid Schedule for reference (Attachments 1 and 2).

DISCUSSION

City Council allocated \$13.1 million American Rescue Plan Act funds for street rehabilitation projects. The City has \$63,923 ARPA funds remaining and must expend by December 30, 2026 per Treasury requirements. Staff recommends utilizing remaining ARPA street funds on a small-scale slurry seal project due to the relatively small amount of funds and expenditure deadline.

The project proposes using pavement treatment materials approved by City Council and successfully used on multiple residential streets known as Central Mix Rubberized Emulsion Aggregate Seal (CM REAS) which has a blend of asphalt emulsion, California recycled tire rubber, aggregate, polymers, stabilizers and performance additives produced by Petrochem Materials Innovation, LLC (PMI). This product is higher quality as it requires approximately double the modified binder content resulting in thick film of binder and long service life. The product is mixed at a controlled location, rather than on site, providing a higher quality solution. PMI provides a seven-year warranty on the CM REAS product for workmanship and color.

The City has successfully installed this product on residential and collector streets over the past several years and staff is pleased and encouraged with the product and roadway surfaces condition to date.

Staff recommends awarding this contract by piggybacking off the multi-year contract (Contract # MA-IS-2440097-2) between PMI and the County of Los Angeles (Attachment

4). which allows piggyback pricing to other agencies. The City Purchasing Policy, Administrative Policy No. 4.1.2 Section IV (F) Exceptions to the Bid Process allows the Purchasing Manager to contract for goods or services and 'piggyback' contractual agreements of other governmental agencies that have formally bid for a given project. Piggyback contracting enables the City to take advantage of pricing from the economies-of-scale that a larger agency like the County of Los Angeles can achieve.

Staff reviewed the terms and conditions of the multi-year contract between PMI and the County of Los Angeles and found them acceptable.

The following lists the proposed street segments (and shown on Attachment 3):

- Location #1 – Richman-Houston-Woodcrest Area
- Location #2 – Hill-Malden-Ray Area
- Location #3 – San Carlos-Balfour Area

Staff chose these areas based on several factors including:

- pavement condition (generally fair / good) and good candidate for slurry seal
- pavement rehabilitation history on adjacent streets
 - project would 'finish' pavement work across the larger neighborhood
- generally, self-contained neighborhoods
- pavement area to treat
- location in the City (focusing on southerly streets).

Staff anticipates project completion in July 2026. Staff would notify impacted residents, businesses and schools of upcoming project construction and potential impacts.

Staff prepared an environmental assessment in accordance with California Environmental Quality Act Guidelines and determined project categorically exempt.

Attachments:

- Attachment 1 – Budget Data
- Attachment 2 – Bid Schedule
- Attachment 3 – Project Vicinity Map
- Attachment 4 – Project Location Map
- Attachment 5 – County of Los Angeles Contract # MA-IS-2440097-2

cc: City Manager Eddie Manfro