

# Agenda Report

# **Fullerton City Council**

MEETING DATE:	MAY 6, 2025
то:	CITY COUNCIL / SUCCESSOR AGENCY
SUBMITTED BY:	STEPHEN BISE, P.E., PUBLIC WORKS DIRECTOR
PREPARED BY:	DAVID GRANTHAM, P.E., CITY ENGINEER
SUBJECT:	\$408,465.58 CONTRACT WITH PETROCHEM MATERIALS INNOVATION, LLC. FOR MISCELLANEOUS SLURRY SEAL – FISCAL YEAR 2024-25

#### SUMMARY

Award \$408,465.58 construction contract to Petrochem Materials Innovation, LLC for the Miscellaneous Slurry Seal – Fiscal Year 2024-25 Project.

#### PROPOSED MOTION

- 1. Approve the Miscellaneous Slurry Seal Fiscal Year (FY) 2024-25 Project plans and specifications.
- Approve \$475,000 Measure M2 Funds (Fund 25) budget transfer and appropriation from Project 44400 Arterial Street Reconstruction, Rehabilitation and Repair to Project 44702 Miscellaneous Slurry Seal – FY 2024-25 within the Capital Projects Fund (Fund 74).
- 3. Award \$408,465.58 construction contract for Miscellaneous Slurry Seal FY 2024-25 Project to Petrochem Materials Innovation, LLC and authorize 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 construction and professional engineering construction support services change orders within the approved project budget.

#### ALTERNATIVE OPTIONS

- Approve the Proposed Motion
- Reject all bids
- Other options brought by City Council.

#### STAFF RECOMMENDATION

Staff recommends the Proposed Motion.

#### CITY MANAGER REMARKS

The City Manager recommends approval.

#### PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

• Infrastructure and City Assets.

## FISCAL IMPACT

The Fiscal Year 2024-25 Adopted Capital Improvement Program (CIP) Budget has sufficient funding for the project provided from Measure M2 Funds. Staff recommends a \$475,000 Measure M2 Funds budget transfer (Fund 25) and appropriation from Project 44400 Arterial Street Reconstruction, Rehabilitation and Repair to Project 44702 Miscellaneous Slurry Seal – FY 2024-25 Project 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).

## BACKGROUND AND DISCUSSION

Staff proposes using the same pavement treatment materials approved by City Council and successfully used on multiple residential streets to continue implementing costeffective paving treatment and rehabilitation methods. The Central Mix Rubberized Emulsion Aggregate Seal (CM REAS) pavement treatment blends asphalt emulsion, California recycled tire rubber, aggregate and polymers plus stabilizers and performance additives produced by Petrochem Materials Innovation, LLC (PMI). Staff considers this product higher quality as it requires approximately double the modified binder content resulting in thick film of binder and long service life with the product mixed at a controlled location, rather than on site, providing a higher quality solution.

The City successfully installed this product on streets (residential and collector streets) over the past two years and staff is pleased with and encouraged by the product and roadway surface conditions to date.

Attachment 3 shows the following proposed street segments:

- Location #1 Lark Ellen-Rosalia Area
- Location #2 Live Oak Area
- Location #3 Amherst-Sherwood Area.

Pavement treatment on all streets would involve CM REAS Type II or a combination of Type II over Type III slurry seal using a ¼-inch aggregate to help seal cracks and provide

Contract with Petrochem Materials Innovation, LLC. for Miscellaneous Slurry Seal May 6, 2025 - Page 3

a smooth surface for alligatored and distressed streets. PMI provides a seven-year warranty on the CM REAS product for workmanship and color. Minor pavement preparatory work involving pavement repair and crack sealing would occur prior to applying slurry seal.

Staff recommends awarding this contract by piggybacking off the multi-year contract (Contract # MA-1S-2440097-2) between PMI and the County of Los Angeles (Attachment 4). This contract allows piggyback pricing to other agencies. Pursuant to the City Purchasing Policy, Policy No. 4.1.2 Section IV (F) Exceptions to the Bid Process, the Purchasing Manager may contract for goods or services and 'piggyback' contractual agreements of other governmental agencies that have formally bid for a given project. This piggyback contracting enables the City to take advantage of pricing from the larger 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 contract and pricing terms acceptable.

Staff also requested roadway preparatory work involving crack sealing as part of this project. This requires additional materials, better recommended products and services outside of and not included in PMI's contract with County of Los Angeles but priced at market value in an amount totaling approximately \$125,000. Staff requests City Council approve the PMI project bid which includes both the piggyback provisions and pricing, and approval of additional materials and services not in the original County of Los Angeles contract.

Construction would tentatively start July 2025 with anticipated project completion in August 2025. Staff would notify impacted residents and businesses of upcoming project construction and potential impacts.

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

Attachments:

- Attachment 1 Budget Data
- Attachment 2 Petrochem Materials Innovation, LLC Quote
- Attachment 3 Project Location Map
- Attachment 4 County of Los Angeles Contract # MA-1S-2440097-2

cc: City Manager Eric J. Levitt