

April 5, 2022

R-36

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract, and any necessary documents including any necessary amendments, with Petrochem Manufacturing, Inc., of Carlsbad, CA, for furnishing and delivering as-needed premix rubberized emulsion aggregate slurry (REAS) and related equipment, on the same terms and conditions afforded to the City of Los Angeles, in an annual amount of \$1,000,000, with a 20 percent contingency in the amount of \$200,000, for a total annual contract amount not to exceed \$1,200,000, until the City of Los Angeles contract expires on December 31, 2022, with the option to renew for as long as the City of Los Angeles contract is in effect, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with Petrochem Manufacturing, Inc. (PMI), for the furnishing and delivery of as-needed premix REAS and related equipment as part of the City of Long Beach's (City) operating expenses for the repair and maintenance of City roads. PMI will not participate in any City construction project beyond provision of premix REAS slurry and related equipment.

The Public Works Department (Public Works) researched procurement options for as-needed premix REAS and related equipment and discovered other agencies had completed an open, fair, transparent, and competitive procurement process. This research affirmed that the contract between the City of Los Angeles and PMI provided the best value to the City.

PMI was selected based on their competitive pricing, service level, and quality of their product. PMI has a mixing plant within a ten-mile radius of Long Beach. PMI meets the capacity requirements to provide the necessary resources for Public Works to order as-needed slurry and equipment for projects and job-related duties.

Slurry sealing is a method of applying a thin layer of asphalt emulsion and aggregate to pavement to seal minor imperfections, restore the street surface, and protect the underlying pavement. REAS differs from conventional slurry in that crumb rubber is blended into the asphalt emulsion at ambient temperature during the production process. Although the cost of REAS is higher than conventional slurry, the advantages include an approximate 50 percent increase in longevity, long lasting color contrast for striping and marking, and high skid-resistance. In addition, REAS uses rubber crumb from more than seventy-eight waste tires per lane mile, thereby diverting waste tires from traditional

disposal.

City Charter Section 1802 provides an alternative procurement method by permitting the City to purchase or otherwise obtain services, supplies, materials, equipment, and labor with other governmental agencies. This alternative procurement method can save time and reduce costs through economies of scale by purchasing under existing contracts from other government agencies on a voluntary and selective basis when authorized by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley and Purchasing Agent Michelle Wilson on March 15, 2022, and by Budget Management Officer Nader Kaamouh on March 18, 2022.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution and award a contract concurrently is requested on April 5, 2022, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The total annual amount of the contract will not exceed \$1,200,000, inclusive of the 20 percent contingency. Sufficient appropriation to support the annual contract amount is budgeted in the General Fund Group and the Capital Projects Fund Group in the Public Works Department. Any work not currently budgeted will only proceed at such time that appropriations have been approved by the City Council. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.


SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


ERIC LOPEZ
DIRECTOR OF PUBLIC WORKS

APPROVED:


THOMAS B. MODICA
CITY MANAGER

ATTACHMENT: RESOLUTION

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH PETROCHEM MANUFACTURING, INC., ON THE SAME TERMS AND CONDITIONS AFFORDED TO THE CITY OF LOS ANGELES, CALIFORNIA, FOR FURNISHING AND DELIVERING AS-NEEDED PREMIX R.E.A.S. SLURRY AND RELATED EQUIPMENT, IN AN ANNUAL AMOUNT OF \$1,000,000, WITH A 20% CONTINGENCY OF \$200,000, FOR A TOTAL ANNUAL NOT TO EXCEED AMOUNT OF \$1,200,000, UNTIL THE CURRENT CONTRACT EXPIRES ON DECEMBER 31, 2022, WITH THE OPTION TO RENEW FOR AS LONG AS THE CITY OF LOS ANGELES CONTRACT IS IN EFFECT, AT THE DISCRETION OF THE CITY MANAGER

WHEREAS, the Charter of the City of Long Beach, Section 1802, permits the City Manager to enter into a contract on behalf of the City, in writing or otherwise, without advertising for bids, for services, supplies, materials, equipment or labor, with other government agencies, when authorized by resolution; and

WHEREAS, the City requires as-needed slurry and related equipment for the repair and maintenance of City roads; and

WHEREAS, Petrochem Manufacturing, Inc. has a contract with the City of Los Angeles, California for Pre-Mix R.E.A.S. Slurry, Contract No. 59680 ("LA Contract"); and

WHEREAS, the City's participation in the LA Contract will facilitate acquisition

1 of as-needed slurry and related equipment as well as provide considerable cost benefits to
2 the City; and

3 WHEREAS, if the City had to go to formal bid rather than participate in the
4 LA Contract considerably more funds would be required;

5 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
6 follows:

7 Section 1. The City Manager or designee is hereby authorized to enter a
8 contract with Petrochem Manufacturing, Inc. for as-needed premix R.E.A.S. slurry and
9 related equipment, in an annual amount of One Million Dollars (\$1,000,000), with a twenty
10 percent (20%) contingency in the amount of Two Hundred Thousand Dollars (\$200,000),
11 for a total annual amount not to exceed of One Million Two Hundred Thousand Dollars
12 (\$1,200,000), until the Los Angeles Contract expires on December 31, 2022, with the
13 option to renew for as long as the Los Angeles Contract is in effect and at the discretion of
14 the City Manager.

15 Section 2. This resolution shall take effect immediately upon its adoption
16 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY
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I hereby certify that the foregoing resolution was adopted by the City Council
of the City of Long Beach at its meeting of _____, 2022 by the
following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk