

May 9, 2023

R-20

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 36261 with Petrochem Materials Innovation, LLC, of Carlsbad, CA, for furnishing and delivering as-needed premix rubberized emulsion aggregate slurry (REAS) and related equipment, to increase the contract amount by \$3,000,000, for a revised contract amount not to exceed \$4,200,000, and extend the term of the contract to December 31, 2023. (Citywide)

DISCUSSION

City Council approval is requested to amend Contract No. 36261 with Petrochem Materials Innovation, LLC (PMI), to continue furnishing and delivery of as-needed premix REAS and related equipment. This material and equipment are used for the repair and maintenance of City of Long Beach (City) roads.

On April 5, 2022, the City Council awarded a contract to PMI as part of its adoption of Resolution No. RES-22-0052 for furnishing and delivery of as-needed premix 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.

In 2022, the Public Works Department (Public Works) began crack sealing and slurry sealing City roads utilizing City staff teams. This pilot program achieved positive results and Measure A funding in the amount of \$3,500,000 has been earmarked for further crack sealing and slurry sealing as part of the Fiscal Year 2023 Measure A Bond program. The City of Los Angeles approved an extension of their contract with PMI to December 31, 2023. The Department of Public Work desires to continue purchasing as-needed premix REAS and related equipment. Additionally, the requested increase in the contract amount by \$3,000,000 will ensure continuity of service and access to premix REAS and related equipment through the end of the contract term.

This matter was reviewed by Deputy City Attorney Vanessa S. Ibarra on April 17, 2023, Purchasing Agent Michelle Wilson on March 20, 2023, and by Budget Management Officer Nader Kaamoush on March 23, 2023.

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TIMING CONSIDERATIONS

City Council action to amend Contract No. 36261 is requested on May 9, 2023, to ensure there is no interruption to delivery of materials and services.

FISCAL IMPACT

The requested action increases the contract authority with PMI by \$3,000,000 for a revised contract amount not to exceed \$4,200,000, and extend the term of the contract to December 31, 2023. Anticipated funding in the amount of \$3.5 million from the Measure A Bond program will support this contract to continue crack sealing and slurry sealing program. Sufficient appropriation to support the contract is budgeted in 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