



## Legislation Text

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**File #:** 18-0672, **Version:** 1

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Recommendation to authorize City Manager, or designee, to execute a Third Amendment to Contract No. 34587 with All American Asphalt, of Corona, CA, for as-needed street improvements, increasing the contract amount by an additional \$15,000,000, for a revised total amount not to exceed \$55,000,000. (Citywide)

On March 21, 2017, the City Council authorized the City Manager, or designee, to execute an annual contract, including any necessary amendments, for street improvements with All American Asphalt (AAA) in the amount of \$40,000,000 with the option to renew for two additional one-year periods. City Council approval is requested to increase the contract amount by an additional \$15,000,000, for a total amount not to exceed \$55,000,000.

This on-call contract provides staff with an efficient contract delivery model for street improvement projects. The contract provides the City with fixed unit pricing for work performed including the repair and replacement of street pavement, curbs and gutters, curb ramps, parking lots pavement, airport taxiway pavement, and other related improvements. Work under this contract is only performed by the contractor based on individual work orders issued by the City and does not include any guaranteed minimum payment or retainer fee. Payment to the contractor is based on the number of the work orders issued and completed by the contractor.

With passage of Measure A, Los Angeles County Measure M, and the Road Repair and Accountability Act of 2017 - Senate Bill 1 (SB 1), additional funding is available for street repairs. The programmed street, parking lot, and airport-related projects in the Fiscal Year 2018 (FY 18) Adopted Capital Improvement Program (CIP) budget, along with planned FY 19 CIP projects, are estimated to cost more than the remaining contract authority under the current contract limit. Staff recommends increasing the current contract authority by an additional \$15,000,000 to ensure FY 18 and FY 19 CIP projects are completed.

The contractor requested cost increases for six items due to unforeseen and unavoidable cost increases attributed to inflation, disposal, and concrete-related labor. Due to a recent surge in construction activity in our area, concrete material costs have increased and AAA must utilize facilities outside of our region, which requires more trucks, travel time, and operating costs. Additionally, after the AAA contract was awarded, prevailing wage law was expanded to include hauling and delivery of ready-mix concrete to public works projects. This change also attributed to unanticipated increase in concrete costs.

Per the City's request, the contractor also provided the City with a written offer to add rubberized polymer modified slurry (RPMS) items to the scope of work provided under the

contract. RPMS is a cost-effective alternative to rubberized emulsion aggregate slurry (REAS). By utilizing RPMS instead of REAS where feasible, cost savings in the range of 60 to 85 percent can be achieved depending on the quantity of slurry seal used.

The AAA contract unit prices, including the six items to be increased, are still lower than those now being received on other competitively bid street projects.

This matter was reviewed by Deputy City Attorney Linda T. Vu on July 12, 2018 and by Revenue Management Officer Geraldine Alejo on July 19, 2018.

### SUSTAINABILITY

All asphalt used under this contract will include recycled rubber tires at a rate of 2.7 tires per ton of asphalt used. It is estimated that up to 805,000 tires that would have gone to a landfill, will be recycled into asphalt during the term of this contract.

City Council action is requested on August 7, 2018, to support the delivery of programmed street and airport taxiway projects.

The contract authority increase of \$15,000,000, for a revised total amount not to exceed \$55,000,000, is estimated based on current and anticipated projects within various City departments, including the Public Works and Airport Departments. No appropriation increase is requested at this time. Any work not currently budgeted will only proceed at such a time that appropriations have been approved by the City Council. Each work order will be funded by the requesting department per project, on an as-needed basis. Approval of this recommendation will provide continued support to the local economy. There is no local job impact associated with this recommendation.

Approve recommendation.

CRAIG A. BECK  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER