

1. CITY OF PALM DESERT STAFF REPORT

MEETING DATE: May 22, 2025

PREPARED BY: Ryan Gayler, Capital Projects Manager

SUBJECT: AWARD CONSTRUCTION CONTRACT TO AMERICAN ASPHALT SOUTH, INC., FOR THE 2025 SLURRY SEAL PROJECT, PROJECT NO. CSL00001

RECOMMENDATION:

1. Award a construction contract to American Asphalt South, Inc., of Riverside, CA, in the amount of \$2,710,175 for the 2025 Slurry Seal Project (Project No. CSL00001 / Project ID 2025-IFB-181).
2. Appropriate \$1,210,175 from Unobligated Measure A Funds to the project Account No. 2134134-4400200.
3. Authorize the City Attorney to make any non-monetary changes to the agreement.
4. Authorize the City Manager to execute the agreement and any other documents necessary to effectuate this action, in accordance with Palm Desert Municipal Code Section 3.30.170(B).
5. Authorize the City Manager to execute the Notice of Completion (NOC) and the City Clerk to file the NOC upon satisfactory completion of the Project.

BACKGROUND/ANALYSIS:

The 2025 Slurry Seal Project involves the application of a rubberized slurry seal to various streets throughout the City of Palm Desert. The project will also include minor asphalt repairs and crack sealing, which help prevent the intrusion of sand and water, thereby extending the service life of the pavement. The rubberized slurry material offers enhanced elasticity, providing greater durability compared to conventional slurry seal.

The project scope includes residential neighborhoods off Shepherd Lane and Hovley Lane West, as well as major arterial roadways such as Frank Sinatra Drive, Country Club Drive, Monterey Avenue, and Hovley Lane East. To minimize traffic disruptions, slurry work on arterial streets is scheduled to occur at night.

The project was advertised via the City's bid portal (OpenGov), and four bids were received electronically on April 29, 2025:

Contractor	Location	Base Bid	Bid Alt #1	Bid total
American Asphalt South, Inc.	Riverside, CA	\$2,710,175	\$146,300	\$2,856,475
Pavement Coatings Company	Jurupa Valley, CA	\$2,861,280	\$136,800	\$2,998,080
Union Pavement Services	Jurupa Valley, CA	\$3,088,061	\$139,650	\$3,227,711
Roy Allan Slurry Seal, Inc.	Santa Fe Springs, CA	\$179,669,805	\$146,300	\$179,816,105

This project was bid with a bid alternate. The low bidder was established by calculating the sum of the base bid amount, plus Bid Alternate No. 1. The bid alternate is for the installation of a plastic curb and delineator system (Shur-Curb) to demarcate bike lanes from vehicular traffic lanes. During several community meetings, many attendees expressed concerns with the proposed system. Few residents expressed support for the delineators. Based on the input received, staff recommends awarding the contract for the base bid only and excluding Bid Alternate No. 1.

Staff has reviewed the low bid submitted by American Asphalt South, Inc. and determined it complies with all contract requirements. The company has previously completed multiple projects for the City with satisfactory results, and staff maintains a strong working relationship with the contractor.

Roy Allan Slurry Seal, Inc. submitted a bid that contained a significant error, pricing the slurry seal material at \$22.00 per square foot instead of the intended \$0.22 per square foot. Even if corrected, their total bid would not have been the lowest at \$3,398,105.

Legal Review:

This report has been reviewed by the City Attorney's Office.

FINANCIAL IMPACT:

Funding for this project is included in the approved Capital Improvement Project (CIP) list for FY 2024-25 in Measure A Account No. 2134134-4400200 for street improvements. However, an additional \$1,210,175 will need to be appropriated to fully fund the project. This appropriation will reduce the total amount of Measure A funds requested in the FY 2025-26 CIP Plan. This action will have no impact on the General Fund.

Project – CSL00001 2025 Slurry Seal Project	FY 24/25 Budget	Appropriation Request	Total Amount
Measure A – Account No. 2134134-4400200	\$ 1,500,000	\$1,210,175	\$2,710,175
Construction: American Asphalt South, Inc.			(2,710,175)
Balance Available	\$1,500,000	\$1,210,175	\$0

ATTACHMENTS:

1. Construction Contract
2. Contractor Bid
3. Payment and Performance Bonds
4. Vicinity Map