

RESOLUTION NO. 27700

WHEREAS, on recommendation of Management, there was presented for approval, Award of five (5)-year Contract to Sully-Miller Contracting Company dba Blue Diamond Materials covering supply and delivery of hot mix asphalt for Los Angeles International Airport and Van Nuys Airport, for cost not to exceed \$15,000,000; and

WHEREAS, Los Angeles World Airports (LAWA) Facilities Management Division (FMD) is responsible for maintenance and repair of over 40,000,000 square feet of asphalt pavement. The area is divided between airside and landside locations and includes taxiways, runway safety areas, parking lots, and streets in and around Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). Proper asphalt maintenance is essential to public safety, and deferral of this maintenance can result in early pavement failure, produce foreign object debris, or create ruts that can cause unsafe landings and takeoffs or damage vehicles and aircraft; and

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

Board of Airport
Commissioners

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Matthew M. Johnson
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, the airport environment is unique in its asphalt pavement needs due to the weight requirements of runways and taxiways, skid resistance, and surface water drainage. As a result of those unique conditions, LAWA sets out specific criteria, regulated by the Federal Aviation Administration (FAA), that establish minimum standards for safety and operations. Some of those criteria include the types of asphalt mix needed, time, and the temperature in which the asphalt is delivered and applied; and

WHEREAS, most repaving projects in the airport environment require extensive planning and preparation with both internal and external stakeholders to minimize operational impacts. Staff from LAWA's airside and landside operations, engineering, and maintenance divisions meet monthly at the Airport Pavement Management System (APMS) working group to plan the scope of work, develop engineering plans, and schedule all airside and landside asphalt projects. Once the projects are identified, the group meets with the FAA air traffic control tower to identify the need for aircraft movement area closures or restrictions and sets a schedule. After the projects are scheduled, staff meets with all tenants and airlines to notify them of upcoming work and communicates the closed areas and project steps. The project steps may include removing the existing surface layer to a uniform thickness, transporting asphalt millings to temporary storage laydown, cleaning the intended area, applying a coat of asphalt emulsion, and/or delivering new hot mix asphalt material; and

WHEREAS, additionally, LAWA manages inspection, rating, maintenance, and replacement of paved surfaces utilizing an APMS to rate and plan the repairs and replacement schedule to meet FAA Part 139 requirements. All asphalt needs to be quality-tested, and material testing is required for all airfield pavement projects per FAA Advisory Circular 150/5370-10G. According to FAA regulations, all LAWA asphalt pavement projects will need to be tested for strict adherence to the American Society for Testing and Materials standards; and

WHEREAS, paved surfaces must be maintained to Part 139 specification. The pavement must be repaired or replaced when: [1] pavement begins to break apart, [2] uneven surfaces exist, [3] potholes develop as asphalt deteriorates due to heavy load; [4] water damage occurs; and [5] pavement reaches the end of its lifecycle. The FAA ensures that airports with Airport Operating Certificates are meeting the pavement requirements of Part 139 by having annual inspections or unannounced inspections. If the FAA finds that an airport is not meeting its obligations, it often imposes an administrative action and/or a financial penalty for each day the airport continues to violate a Part 139 requirement. In extreme cases, the FAA might revoke the airport's certificate or limit the areas of an airport where air carriers can land or takeoff. To continue meeting FAA



obligations since expiration of the prior contract, LAWA FMD has purchased hot asphalt mix by means of emergency purchase orders expending \$300,000 to date; and

WHEREAS, during the prior five (5)-year asphalt supply and delivery contract, LAWA deferred maintenance of non-critical pavement projects, including transportation network company and south parking lot repairs, as part of cost-saving measures. At this time, LAWA needs to address areas where there is a potential for pavement failure, repair roadways that have been damaged by recent weather events and maintain paved locations that are newly assigned to LAWA. FMD expects to repair or replace over 2,500,000 square feet of asphalt using over 95,000 asphalt tonnage during the new contract. In addition, LAWA recently acquired a new profiler, specialized equipment for removing asphalt and concrete, that will allow staff to prepare more surface area for asphalt, resulting in the acceleration of project schedules so that more projects can be completed within the term of the new contract. Due to the higher material and delivery costs, the fluctuating costs of crude oil, the need to complete deferred maintenance projects, the addition of roadways that must be maintained, and the ability to complete projects more efficiently due to new equipment, staff requested a higher contract authority than what was used under the prior contract; and

WHEREAS, LAWA received one (1) bid, as detailed below, from Sully-Miller Contracting Company dba Blue Diamond Materials, to Request for Bids (RFB) 121-078 for supply and delivery of hot asphalt mixes:

Company	Bid	LBPP Discount	Evaluation Bid Amount
Blue Diamond Materials	\$2,619,000	(\$209,520)	\$2,409,480; and

* LBPP = Local Business Preference Program

WHEREAS, contract specifications were narrowed due to the FAA-regulated criteria of type of asphalt mix needed, time and temperature in which asphalt is delivered and applied. Asphalt mixes are fundamental to the timely completion of projects. In order to meet the temperature application requirements of hot asphalt, defined as no less than 300 degrees Fahrenheit, LAWA included a requirement in the RFB that the vendor’s plant(s) must be no more than 20 miles from the delivery site to the airports. Asphalt mixes must maintain the constant temperature as stated above, and the delivery trucks must be insulated to maintain the mix at the appropriate temperature. Any deliveries made from locations outside of the 20-mile limit would not be able to maintain the correct temperature due to the anticipated travel time; consequently, the asphalt could not be used. Up to 17 different types of asphalt mixes are used across the airport and on the streets and parking lots that LAWA is responsible for maintaining. The amount of material needed will vary based on the size and scope of a project, but may require an uninterrupted supply and delivery of up to 500 tons per hour of hot asphalt mixes; and

WHEREAS, staff determined that Blue Diamond Materials was the sole responsive bidder and met all LAWA requirements. The firm has a plant located 3.4 miles from LAX in the City of Inglewood and a plant in Sun Valley that is 8 miles from VNY that produce the designated P401 mix and can will allow for delivery of hot asphalt mix within the required temperature range. Staff also researched cost estimates of similar work performed at locations in and around LAWA and determined that the pricing proposed by Blue Diamond Materials is comparable, and often lower, for similar services; and

WHEREAS, funds for the Contract are available in the Fiscal Year 2022–2023 LAWA Operating Budget in LAX Cost Center 1150045 – Asphalt Paving & Construction Unit and VNY Cost Center 1400003 – VNY Maintenance Service, Commitment item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, this item, as a continuing administrative, maintenance and personnel-related activity, and consists of the operation, repair, maintenance or minor alteration of existing streets, parking lots, aircraft parking areas, runways and taxiways, which is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, 2.f and Article III, Class 1 (3) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Blue Diamond Materials will comply with the provisions of the Affirmative Action Program and Child Support Obligations Ordinance; and

WHEREAS, Blue Diamond Materials has been assigned Business Tax Registration Certificate 0000940327-001-7; and

WHEREAS, Blue Diamond Materials has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Blue Diamond Materials has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Blue Diamond Materials has been determined by Public Works, Office of Contract Compliance to be in full compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, Blue Diamond Materials has submitted the Bidder Contributions CEC Form 55, Municipal Lobbying Ordinance CEC Form 50 and Iran Contracting Affidavit, and will comply with their provisions; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(3) and Article II, Section 2.f of the Los Angeles City CEQA Guidelines; approved Award of five (5)-year Contract to Sully-Miller Contracting Company dba Blue Diamond Materials covering supply and delivery of hot mix asphalt for Los Angeles International Airport and Van Nuys Airport, for cost not to exceed \$15,000,000; and authorized the Chief Executive Officer, or designee, to execute said Contract with Sully-Miller Contracting Company dba Blue Diamond Materials after approval as to form by the City Attorney and approval by the Los Angeles City Council.

o0o

I hereby certify that this Resolution No. 27700 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, March 16, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS