



NEWPORT BEACH

City Council Staff Report

April 14, 2026
Agenda Item No. 6

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Slurry Seal Program Fiscal Year 2025-26 – Award of Contract No.
9947-1 (26R04)

ABSTRACT:

The City of Newport Beach received construction bids for the annual Slurry Seal project and requests City Council approval to award the construction contract to American Asphalt South, Inc. of Riverside for a total bid price of \$1,361,505. This project will slurry seal streets and sealcoat parking lots in the Eastbluff, North Ford, Santa Ana Heights, and Bayview Heights communities. This program follows the annual concrete replacement and street pavement repair programs that are currently in progress in the same communities.

RECOMMENDATIONS:

- a) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment;
- b) Approve the project plans and specifications;
- c) Award Contract No. 9947-1 to American Asphalt South, Inc. for the total bid price of \$1,361,505 for the Slurry Seal Program Fiscal Year 2025-26, and authorize the Mayor and City Clerk to execute the contract; and
- d) Establish a contingency of \$137,000 (approximately 10% of the total bid) to cover the cost of unforeseen work not included in the original contract.

DISCUSSION:

The proposed project is primarily located in the Eastbluff, North Ford, Santa Ana Heights and Bayview Heights communities. The work includes distributing construction notices to affected residents and businesses; placing “No Parking, Tow-Away” signs and setting up traffic control; clearing existing pavement of debris, soil and other loose materials; street sweeping; removing existing traffic striping, pavement markings, and raised pavement

markers; weed removal and crack sealing; placing slurry seal on asphalt streets and trails; placing sealcoat on asphalt parking lots; installing new traffic striping, pavement markings and raised pavement markers; and other incidental items of work necessary to complete the project.

At 10 a.m. on March 5, 2026, the City Clerk opened and read the following bids for this project:

	<u>BIDDER</u>	<u>TOTAL BID AMOUNT</u>
Low	American Asphalt South, Inc.	\$ 1,361,505
2nd	Roy Allan Slurry Seal, Inc.	\$ 1,434,982
3rd	Pavement Coatings Co.	\$ 1,519,565
4th	All American Asphalt, Inc.	\$ 1,593,390
5th	Union Pavement Services, Inc.	\$ 1,621,860

The City received five bids. The low bidder, American Asphalt South, Inc., possesses a California State Contractor’s License Classification “A”, as required by the project specifications. A review of references for American Asphalt South, Inc. shows satisfactory completion of similar contracts for the City and other municipalities.

American Asphalt South, Inc.’s bid was 8% below the engineer’s estimate of \$1,480,000. The difference between the low bid and engineer’s estimate was attributed to the favorable cost of slurry seal material. Pursuant to the contract specifications, the contractor will have 40 consecutive working days to complete the project. Work is scheduled to start in May 2026.

The project plans and specifications will be available for review at the April 14, 2026, City Council meeting or upon request.

FISCAL IMPACT:

The adopted Capital Improvement Program budget includes sufficient funding for the award of this contract. The following funds will be expended:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
Gas Tax	12101-980000-24R04	\$ 363,931.51
Gas Tax	12101-980000-25R04	\$ 242,866.66
General Fund	01201927-980000-25R04	\$ 447,209.54
Gas Tax	12101-980000-26R04	\$ 506,992.29
	Total:	\$ 1,561,000.00

Proposed fund uses are as follows:

<u>Vendor</u>	<u>Purpose</u>	<u>Amount</u>
American Asphalt South, Inc.	Construction Contract	\$ 1,361,505.00
American Asphalt South, Inc.	Construction Contingency	\$ 137,000.00
Geocon West, Inc.	Materials Testing	\$ 56,987.00
Various	Printing & Incidentals	\$ 5,508.00
	Total:	\$ 1,561,000.00

Gas Tax revenue is received through State-imposed taxes on fuel and motor vehicles registration dedicated to transportation purposes.

Staff recommends establishing \$137,000 (approximately 10% of the total bid) for contingency purposes and unforeseen conditions associated with construction.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301(c), Class 1 (maintenance of existing public facilities involving negligible or no expansion of use) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because this project has no potential to have a significant effect on the environment.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Location Map