

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Ron Moreno, Director of Public Works/City Engineer

DATE: January 13, 2026

SUBJECT: Approve Increase to Construction Contingency for the Contract with American Asphalt South, Inc. for the Citywide Slurry Seal Project, PW25-06

PREPARED BY: Hossein Ajideh, Principal Civil Engineer
William Becerra, Associate Engineer II

RECOMMENDATION: That the City Council:

1. Approve increase to the construction contingency for the contract with American Asphalt South, Inc., in the amount of \$245,000 for the Citywide Slurry Seal Project, PW25-06, resulting in a total construction contingency of \$779,027.15; and
2. Approve increase to the City Manager's authorization to approve contract change orders up to \$779,027.15.

BACKGROUND: On October 14, 2025, the City Council awarded a construction contract to American Asphalt South, Inc. for the Citywide Slurry Seal Project, PW25-06, in the amount of \$1,068,054.30 with a separate construction contingency in the amount of \$534,027.15.

The Citywide Slurry Seal Program is an annual project that applies slurry seal to roadways to protect pavement from water intrusion and deterioration of the asphalt concrete pavement. Slurry seal is ideally applied every five to seven years, as it extends pavement life and helps delay more costly rehabilitation measures such as asphalt concrete overlays or pavement removal and reconstruction.

Construction activities involve roadway preparation by removing existing striping and pavement markings, cleaning the roadway surface, and sealing cracks. This work is followed by the application of slurry seal and subsequent restoration of striping and pavement markings.

The project originally consisted of slurry sealing over four million square feet of residential roadways at designated locations.

The Citywide Slurry Seal Project is designed to maximize the use of available funding. For this year's project, staff originally requested approval of a 50% construction contingency to cover

potential extra work. After careful review of the City's Five-Year Slurry Seal Plan, staff requested a proposal from the contractor to expand the project limits to include Crown Hill and Sterling Ranch neighborhoods. This expansion added approximately 2.5 million square feet of residential roadway to the project. The expanded project area is shown on the attached Project Location Map.

Extra work associated with this expansion also includes modification to roadway striping on Solana Way, Seraphina Road, Rita Way, Suzi Lane, Chandler Drive, and Yukon Road.

Staff recommend approval of an increase to the City Manager's authorized construction contingency in the amount of \$245,000 resulting in a total authorized contingency of \$779,027.15.

FISCAL IMPACT: The Citywide Slurry Seal Project is included in the Fiscal Year 2025-26 Operating Budget and is funded with Measure A. Sufficient funds are available in the project account to cover the requested increase to the contingency of \$245,000. The revised contingency amount of \$779,027.15 plus the original contract amount of \$1,068,054.30 results in a total encumbrance of \$1,847,081.45.

ATTACHMENTS:

- 1. Project Location Map
- 2. Extra Work Street Names