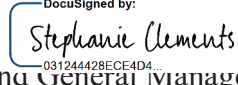


Ann FORM GEN. 160 (Rev. 11-02)

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

DATE: March 30, 2023

TO: Municipal Facilities Committee

FROM: Keith Mozee for 
Executive Director and General Manager
Bureau of Street Services (StreetsLA)

SUBJECT: STREETSLA MUNICIPAL FACILITIES COMMITTEE REPORT FOR THE ASPHALT PLANT PROGRAM STATUS UPDATE AND FUNDING AUTHORIZATION REQUEST

The Department of Public Works – Bureau of Street Services (StreetsLA) Municipal Facilities Committee Report will focus on the City’s Asphalt Plant facilities and their associated challenges and issues. These three Asphalt Plant locations support StreetsLA’s annual \$121.1M Pavement Preservation Program, and thus the need to address these issues in a timely manner is critical.

RECOMMENDATIONS

That the Municipal Facilities Committee (MFC):

1. Consider the Asphalt Plant I Phase III (Scope B) - Catwalk Safety Improvement Project as part of the Fiscal Year (FY) 2023-24 Capital and Technology Improvement Expenditure Program (CTIEP) under Municipal Facilities as a priority to promote safe workplace conditions;
2. Instruct the Office of the City Administrative Officer (CAO) to work with StreetsLA to seek necessary Council approval to identify General Fund and/or Special Fund funding capacity, contingent upon eligibility criteria, to lease a vacant lot for 5 years for Asphalt Plant 1 (AP1) at an estimated cost of \$4.0 million. The vacant lot will temporarily accommodate the operations and staff of the relocated crusher and the power screener from 25th Street and Harriet Street during the construction of the AP1 Phase 2 project, which is currently managed by BOE (also known as AP1 Annex Site Improvements);
3. Consider the Asphalt Plant I Phase III (Scope A) - Recycled Asphalt Pavement (RAP) Canopy Structure project as part of the FY 2023-24 CTIEP under Municipal Facilities as a priority;
4. Instruct the CAO to work with StreetsLA to seek necessary Council approval to identify Municipal Improvement Corporation of Los Angeles (MICLA) funding capacity, contingent upon eligibility criteria, to initiate the Asphalt Plant 2 (AP2) Long-Term Feasibility Study project. StreetsLA proposes to utilize consultant services for this task with a total estimate of \$1 million in FY 2023-24. The consultant will conduct a long-term feasibility study to evaluate the best possible alternatives to address the critical issues facing AP2; and
5. Consider the AP1 - Maintenance Equipment as part of the FY 2023-24 CTIEP under Municipal Facilities as a priority safety improvement to spend \$67,000 on an equipment purchase.

BACKGROUND

StreetsLA's mission is to maintain all improved streets, alleys, and related throughways in perpetually good to excellent condition while providing desirable standards of safety, appearance, and convenience for residents and the traveling public within our jurisdiction. StreetsLA maintains a street network comprising 23,000 lane miles of streets, and 800 miles of alleys. The City of Los Angeles (City) has the largest municipal street system in the nation.

StreetsLA is responsible for maintaining and repairing the City's street system to fulfill the needs of a highly mobile population. Pavement preservation of the street network is accomplished by the operation of two City-owned municipal asphalt plants, AP1 and AP2 and by a third-party vendor, AAA, who operates an asphalt plant on leased City-owned property.

DISCUSSION

This Municipal Facilities Report outlines the funding needs and the long-term strategy required to safely maintain and operate the city's municipal asphalt plants successfully. StreetsLA has identified three major areas that need to be addressed:

1. Asphalt Plant 1 Facilities Safety Improvement Projects
2. Asphalt Plant 2 Long-Term Feasibility Study
3. Asphalt Plant 3 Equipment Acquisition Status

1) *Asphalt Plant 1 Facilities Safety Improvement Projects*

StreetsLA has operated AP1 at its current location at 2484 East Olympic Boulevard since 1947. The AP1 site is approximately two-acres of City-owned property located in an industrial area south of downtown Los Angeles in Council District 14. A project to replace and modernize the plant began in June 2016 and the plant has been operational since 2019. AP1 is permitted to produce 700,000 tons of asphalt per year.

StreetsLA is committed to ensuring that employees at AP1 are working in a safe and healthy workplace by establishing and enforcing safety standards, offering training, and purchasing the necessary equipment to operate and maintain the facility. To meet our commitment to safety, StreetsLA has identified capital improvement projects that are necessary to improve the safety for staff operating the plant and reduce liability from worker's compensation due to preventable safety deficiencies.

Table 1 below ranks the priority of the safety equipment and the capital improvement projects required to ensure that the plant operates safely.

Table 1 - AP1 Priority Projects

| Priority | Name | Description | Funding Request |
|---|--|--|------------------------|
| 1 | AP1 Phase III (Scope B) Catwalk Safety Improvement Project | Construct new catwalks for staff to perform routine maintenance of AP1 equipment in hard-to-reach places. The catwalks have been identified by the maintenance crews as necessary equipment to improve safety. See detailed funding information in the Priority 1 section on page 4 below. | \$1,915,967 |
| 2 | AP1 Phase II - 25th and Harriet - Temporary Lease | Lease a vacant lot for 5 years to temporarily accommodate the operations of the relocated crusher and the power screener from 25th and Harriet during the construction of the Asphalt Plant No.1 Phase 2 project, which is managed by BOE. See detailed funding information in the Priority 2 section on page 5 below. | \$4,000,000 |
| 3 | AP1 Phase III (Scope A) RAP Canopy Structure | Design and construct a canopy structure to cover a stockpile of RAP (recycle asphalt pavement) at AP1 in order to maintain a low water content and to control air-borne dust. See detailed funding information in the Priority 3 section on page 6 below. | \$1,000,000 |
| 4 | AP1 Equipment Purchase | Purchase an 8ft by 20ft container to protect and store tools. AP1 operational and maintenance crews do not have a tool shed and it has created an unsafe working environment. The tools are out in the elements, and it has created a tripping hazard. Furthermore, the container can be used as a safe working environment for the staff to fabricate and fix items necessary to operate the plant. Purchase two Jib cranes that will assist the crews in lifting heavy equipment such as the Recycled Asphalt Pavement screens. The crew staff are currently lifting those screens by hand. Vendor quotes for the container and the two Jib cranes are \$8,751 and \$46,934, respectively. This estimate includes a 20% contingency of \$11,137. The equipment cost is \$67,000. StreetsLA has submitted a request through the FY 2023-24 CTIEP budget process to purchase this equipment. | \$67,000 |
| Total | | | \$6,982,967 |
| Funding Consideration as Part of FY 2023-24 | | | \$2,982,967 |
| Anticipated Funding Need for New Project Initiation in FY 2023-24 for AP1* | | | \$4,000,000 |

*Refer to the “Fiscal Impact” section for information on the anticipated funding needs.

Priority 1 - AP1 Phase III (Scope B) Catwalk Safety Improvement Project

The AP1 Phase III (Scope B) Catwalk Safety Improvement Project is critical to the operations and the safety of the staff at AP1. The plant operators and maintenance crew have identified the need for catwalks in order to reach inaccessible places to conduct routine maintenance and repairs for 13 areas identified at job-walks including, but not limited to, basement work platforms, areas around screw conveyors and platforms around the asphalt silo.

The installation of new catwalks will provide the accessibility that the asphalt plant staff need in order to conduct the necessary routine maintenance of operational equipment in hard-to-reach locations. Routine maintenance can consist of checking the mechanical bearings, inspecting any cracks due to the transfer of aggregate material, or any welding repairs that need to be done. Routine maintenance is essential to the function of creating Hot Mix Asphalt (HMA) and if any of these functions fails, then the entire plant can no longer operate. This catwalk upgrade will improve the safety for the plant's maintenance staff during their routine inspections.

If this upgrade is not constructed, the operational impacts include the possibility that the City will cease production of asphalt at AP1 due to equipment breakdown from the lack of proper routine maintenance and more costly equipment upgrades down the road. AP1 typically produces on average 1,500 tons of asphalt per day that is valued at about \$78,000 per day.

ROUGH ORDER OF MAGNITUDE - DEPARTMENT OF GENERAL SERVICES' ESTIMATE

The Department of General Services (GSD) provided a \$1.3 million-dollar Rough Order Magnitude (ROM) cost estimate on January 4, 2022, for the design, engineering, fabrication, permitting, and installation of new steelwork platforms and catwalks using a contractor on their Pre-Qualified On-Call List. The cost breakdown for this project is shown in Table 3 and includes escalation to the midpoint of construction at 7% inflation. This ROM, if not addressed soon, will likely increase every year.

Table 2 - AP1 Phase III (Scope B) The Catwalk Safety Improvement Project Cost Breakdown

| Budgetary Line Item | Dollar Amount |
|--|----------------------|
| General Services Department Budgetary/ROM Estimate | \$1,325,005 |
| Escalation to the midpoint of construction at 7% inflation | \$271,634 |
| 20% Project Contingency | \$319,328 |
| Total | \$1,915,967 |

Table 3 – AP1 Phase III (Scope B) The Catwalk Safety Improvement Project Cost Estimate (ROM)

| Phases | Proposed Funding Source | Year 1 (2023-24) | Year 2 (2024-25) | Total Funding Request |
|---------------------|--------------------------------|-------------------------|-------------------------|------------------------------|
| Planning | MICLA | \$50,000 | \$0 | \$50,000 |
| Design | MICLA | \$200,000 | \$0 | \$200,000 |
| Acquisition | MICLA | \$0 | \$0 | \$0 |
| Construction | MICLA | \$1,346,639 | \$0 | \$1,346,639 |
| Contingency | MICLA | \$319,328 | \$0 | \$319,328 |
| Total | | \$1,915,967 | \$0 | \$1,915,967 |

StreetsLA submitted a CTIEP budget request to be considered as part of the FY 2022-23 and 2023-24 budgetary process for the design, engineering, fabrication, permitting, and installation of new steelwork catwalk platforms.

Priority 2 – AP1 – 25th and Harriet/Temporary Lease Site

A project to replace and modernize the plant was awarded to Papich Construction Co., Inc. on June 1, 2016, for \$31,073,000. The plant has been operational since 2019. However, during a functional test performed of AP1 prior to its 2019 re-opening, it was discovered that to efficiently produce Hot Mix Asphalt (HMA) while utilizing 50% RAP, additional space, another crusher, and a screening unit were required to process the material at a consistent gradation size prior to being introduced to the HMA production process.

The Bureau of Engineering (BOE) rented a processing crusher and power screener unit as a temporary measure starting in FY 2019-20. The RAP material is currently processed at a StreetsLA RAP storage facility on the north-east corner of 25th Street and Harriet Street, which is approximately 1.2 miles from AP1.

Additional issues have been exposed on the 25th Street and Harriet Street site. Since the stockpile of both unprocessed and processed RAP is not covered, wind-borne debris and dust generated during loading, unloading, and processing have caused complaints from the surrounding neighbors. These issues have been reported to the Air Quality Management Control District (AQMD), who have visited the site to remedy them. A site violation may be issued by AQMD, if the site conditions do not improve. Furthermore, having the RAP pile exposed to the elements increases the moisture content of the material, which considerably hinders the plant's production of HMA using 50% RAP. To resolve these issues, a canopy covering the RAP pile was recommended to maintain a low moisture content despite inclement weather and to reduce nuisance dust.

To resolve the issues challenging the operations of AP1 at the 25th Street and Harriet Street site, the City is seeking consulting services to provide a 20% architectural and engineering design (bridging documents) for a new RAP processing facility—consisting of a new canopy, office, and restrooms. The BOE, Architectural Division, will be responsible for the administration of this Task Order Solicitation (TOS) on behalf of StreetsLA pursuant to the approved MFC report dated May 27, 2021. Once the design consultant has completed the bridging documents, the project will be

bid out to design/build entities and will be awarded to a design/build entity to complete the design and construction for the project. This project is also known in the Budget as the AP1 Annex Site Improvement project.

While the AP1 Annex Site improvements at the 25th and Harriet Streets site are being constructed, StreetsLA needs a temporary site to continue the crusher and power screener operations. StreetsLA is working in conjunction with the Department of General Services' Real Estate Services Division to identify a suitable real estate property.

This project has not been submitted to be considered as part of the FY 2023-24 budgetary process as this is a new project initiation. StreetsLA anticipates needing \$4.0 million in funding (refer to fiscal impact section below).

Priority 3 - Asphalt Plant 1 Phase III (Scope A) RAP Canopy Structure

The stockpile of processed RAP at AP1 is not covered. During the wet season, exposed RAP piles increase in moisture content, which significantly slows down production at the asphalt plant and causes dust that becomes a safety hazard to employees and a nuisance to neighbors, as well as possible violations of the AQMD and stormwater permit requirements.

The scope of work for the RAP Canopy Structure Project includes the construction of a new canopy structure to cover the stockpile of the RAP at AP1. To maintain a low water content and to contain air-borne dust control, a canopy structure was proposed to cover and enclose the entire RAP stockpile. The proposed canopy will be approximately 90ft (width) x 100ft (length) x 40 ft (height) to accommodate the size of the stockpile required for daily production.

Table 4 - AP1 Phase III (Scope A) RAP Canopy Structure Cost Breakdown

| Budgetary Line Item | Dollar Amount |
|--|----------------------|
| Steel Prefabricated Cantilever Canopy Structure | \$550,000 |
| Labor | \$228,816 |
| Escalation to the midpoint of construction at 7% inflation | \$54,517 |
| 20% Contingency | \$166,667 |
| Total | \$1,000,000 |

AP1 typically produces an average of 26,229 tons of asphalt per month. During storm events, AP1 production of asphalt falls to an average of 20,858 tons per month due to the high moisture content in the RAP because it takes more time for the thermal dryer to heat the RAP to the ideal temperature required to successfully produce asphalt. During the rainy season, AP1 typically operates using a 20% RAP mixture that incurs extra associated costs, such as purchasing 30% more virgin aggregate material, additional dump fees to haul away wasted RAP, additional truck hauling fees, and purchasing additional hot mix oil for heating purposes. Furthermore, steam from the wet RAP will shorten the life of the asphalt equipment.

Table 5 - Monetary Value of Hot Mix Asphalt (HMA)

| | Average Monthly Production of Asphalt | Monetary Value of Asphalt Per Ton | Total Monthly Asphalt Value |
|---|--|--|------------------------------------|
| AP1 during the Dry Season | 26,229 tons | \$52 per ton | \$1,363,908 |
| AP1 during the Rainy Season | 20,858 tons | \$52 per ton | \$1,084,616 |
| Net Monthly Monetary Loss Due to Wet Weather | | | \$279,292 |

Table 5 above, shows that the City is losing \$279,292 per month from the drop in production due to wet weather. With a \$1.0 M proposed Canopy construction budget, the City's return on investment to construct this project can be made up in 3.5 rainy months. Historically, in the City of Los Angeles, it rains about 1.25 months per year and the City would return its investment in about 3 years.

ROUGH ORDER OF MAGNITUDE ESTIMATE

Table 6 – AP1 Phase III (Scope A) RAP Canopy Structure Project Cost Estimate and Anticipated Schedule

| Phases | Proposed Funding Source | Year 1 (2022-23 Funds Authorized) | Year 2 (2023-24 Funds Requested) | Total Funding Request |
|---------------------|--------------------------------|--|---|------------------------------|
| Planning | MICLA | \$80,000 | \$0 | \$80,000 |
| Design | MICLA | \$150,000 | \$0 | \$150,000 |
| Acquisition | MICLA | \$0 | \$0 | \$0 |
| Construction | MICLA | \$0 | \$833,333 | \$833,333 |
| Contingency | MICLA | \$0 | \$166,667 | \$166,667 |
| Total | | \$230,000 | \$1,000,000 | \$1,230,000 |

StreetsLA has submitted a CTIEP budget request in both FYs 2022-23 and 2023-24 to initiate the AP1 RAP Canopy project.

2) Asphalt Plant 2 Long-Term Feasibility Study

The AP2 site is more than 60 years old and is in an industrial area located at 12251 North Sherman Way, in Council District 2. The equipment at AP2 is outdated and in deteriorated condition. The components are worn-out and on the verge of collapse due to age. AP2 is permitted to produce 416,000 tons per year at 20% RAP when functional. AP2 has not been operational since April 1,

2020 due to a chain breakdown at the main drag conveyor, as well as safety concerns with the cold aggregate bins. AP2 staff have since been assigned to AP1.

StreetsLA is pursuing a long-term feasibility study for AP2 through consultant services to evaluate the best possible alternatives to address the critical issues facing AP2.

Some strategic options include the following:

1. The City makes the initial investment to modernize AP2 with the goal to continue to own and operate this asphalt plant. This option allows the City greater flexibility and leeway to produce asphalt and to manage the City's assets without any contractual limitations with a third-party vendor. However, the City would incur a large initial capital investment;
2. Pursue a Public-Private Partnership for AP2 with green technology. The advantages of pursuing a Public-Private Partnership include less initial capital costs. However, this would require additional funding to issue a Request for Proposal (RFP) to hire a consultant to evaluate the existing plant and provide recommendations to upgrade it to a green plant using recycled plastic materials; and,
3. Rehabilitate and/or Remove & Replace the existing critical equipment at AP2. There are many unforeseen conditions that the City might encounter since the existing equipment is obsolete and additional improvements and funding might be required.

The following criteria will be used to evaluate and determine the best scenario:

1. Environmental Sustainability Factors including implementing new technologies to reduce the carbon emissions, reducing the carbon footprint of trucking to haul asphalt, reduced air emissions, the use of additional recycled material such as plastics, and other environmental factors. This evaluation criteria will closely follow the climate goals as outlined in the City's Green New Deal (2019) and the Green Bond Principles;
2. Projected asphalt production and the Budget required to meet the City's goal of improving the pavement infrastructure in preparation for the 2028 Olympics and long-term goal of a Pavement Condition Index (PCI) score of 80 in 20 years;
3. Planned and scheduled downtime for maintenance;
4. Maximize annual production of asphalt for each plant based on AQMD permits; and,
5. Evaluation of social equity impacts based on AP2's service area.

This project has not been submitted to be considered as part of the FY 2023-24 budgetary process as this is a new project initiation. StreetsLA anticipates needing \$1 million MICLA funding to initiate and complete the project within FY 2023-24 (refer to fiscal impact section below).

3) AP 3 Equipment Acquisition Status

The proposed AP3 facility is located at 11549 Bradley Avenue in Council District No. 7. This facility is currently being operated as an Asphalt Plant by All American Asphalt (AAA), on City-owned land, however, the equipment is owned by AAA. The City procures asphalt from AAA via a separate City contract when AP1 and AP2 cannot produce enough asphalt on any given day.

While AAA does produce asphalt for the City, it also sells any excess asphalt, not purchased by the City, to other private companies. AP3 is permitted to produce 550,000 tons of asphalt per year and has the capability of producing 375-400 tons per hour with 50-55% RAP.

The 2018-19 Adopted Budget included \$6.0 million for the acquisition of the AAA equipment operated on City land. StreetsLA has recommended not to pursue the purchase of the asphalt equipment from AAA at this time.

FISCAL IMPACT

StreetsLA submitted three projects to be considered as part of the CTIEP budgetary process for FY 2023-24 and is requesting for two projects to be considered as a new project initiation with anticipated funding needs to initiate the new projects in FY 2023-24. Table 9 below summarizes the funding requests and anticipated funding needs for each project:

Table 7 - Overall Funding Needs for FY 2023-24

| Priority | Project | Funding Amount Request | Status |
|--|--|------------------------|---|
| 1 | AP I Phase III (Scope B) Catwalk Improvement Project | \$1,915,967 | Consideration as part of 23-24 CTIEP Budget |
| 2 | AP1 - 25th and Harriet - Real Estate Lease | \$4,000,000 | New Project Initiation/ Anticipated Shortfall |
| 3 | AP1 - Phase III (Scope A) RAP Canopy Structure | \$1,000,000 | Consideration as part of 23-24 CTIEP Budget |
| 4 | AP1 - Equipment Purchase | \$67,000 | Consideration as part of 23-24 CTIEP Budget |
| 5 | AP2 - Long-Term Feasibility Study | \$1,000,000 | New Project Initiation/Anticipated Shortfall |
| Total | | | \$7,982,967 |
| Funding Requested as part of FY 23-24 | | | \$2,982,967 |
| Additional Funding Needed to Initiate New Project | | | \$5,000,000 |

New Project Initiation- Fiscal Impact

25th Street and Harriet Street Land Acquisition/ Alternative Site Lease

There is an anticipated shortfall of an estimated \$4.0 million for the lease and associated costs budget as it relates to the AP1 Phase 2 - 25th and Harriet Project. In order to initiate the construction phase, the crusher and screener will need to be moved to a temporary site and relocate the associated staff in order to maintain operations during the construction of the facility.

BOE anticipates the construction phase to begin in FY 2023-24 through FY 2025-26. GSD is currently looking for a lease space that will accommodate the equipment and relevant staff. Failure to identify a temporary site will stall the AP1 Phase 2 - 25th Street and Harriet Street Project because the contractor cannot start without the equipment being moved to a different location.

Funds are required to lease a vacant lot for 5 years to temporarily accommodate the operations of the relocated crusher and the power screener from 25th and Harriet during the construction of the AP1 Phase 2 project that is currently being managed by BOE. GSD and StreetsLA prepared the estimate of \$4.0 million for the leasing, permitting, and relocation costs for 5 years.

Table 8 - 25th and Harriet - Real Estate Lease Project Cost Estimate and Anticipated Schedule

| Phases | Year 1 (24-25) | Year 2 (25-26) | Year 3 (26-27) | Year 4 (28-29) | Year 5 (29-30) | Total Funding Request |
|------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------------|
| Planning | | | | | | |
| Design | | | | | | |
| Estimated Lease Costs | \$674,000 | \$674,000 | \$674,000 | \$674,000 | \$674,000 | \$3.37 M |
| Construction | | | | | | |
| Contingency | \$126,000 | \$126,000 | \$126,000 | \$126,000 | \$126,000 | \$630,000 |
| Total | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$800,000 | \$4.0 M |

Please see cost breakdown for a temporary area to continue the crusher and power screener operations below:

Table 9 – 25th Street and Harriet Street– Real Estate Lease Cost Breakdown

| Budgetary Line Item | Dollar Amount |
|---|----------------|
| The Department of General Services' Real Estate Division Lease Budgetary Estimate at \$55,000 per month for 60 months | \$3,300,000 |
| Environmental and Geotechnical Investigation Permitting, if deemed required | \$70,000 |
| 20% Contingency | \$674,000 |
| Grand Total | \$4.0 M |

The City is the only municipality in the United States that utilizes 50% of RAP in new asphalt concrete mixtures. Over the years, this has resulted in millions of dollars of savings by reducing the use of fresh aggregates, binders, and the need to dump additional waste materials in landfills. In order to continue this cost savings, it is imperative that a temporary site maintain operations of the RAP crusher equipment to achieve 50% RAP; otherwise only 20% RAP can be achieved in the AP1 facility. The cost savings from material costs with using 50% RAP compared to 20% RAP is shown in Table 4.

Table 10 - Cost Savings Breakdown of 20% RAP Mixture vs 50% RAP Mixture

| Budgetary Line Item | 20% RAP HMA Mixture | 50% RAP HMA Mixture | Annual Cost Savings |
|-------------------------------------|-----------------------|-----------------------|---------------------|
| Material Costs | \$39 per ton | \$22 per ton | |
| Annual Production of Asphalt at AP1 | 327,000 tons per year | 327,000 tons per year | |
| Annual Cost | \$12,753,000 per year | \$7,194,000 per year | |
| Net Yearly Savings | | | \$5.5 M |

By maintaining a temporary site for the crusher and screener equipment, StreetsLA can continue to save \$5.5M annually in material costs from utilizing 50% RAP. Furthermore, there are additional cost savings associated with keeping a 50% RAP mixture. The operations at AP1 are designed to produce a 50% RAP mix. If the crusher and screener operations at 25th and Harriet ceased to operate for a long period of time and StreetsLA was required to operate using a 20% RAP mixture, then there would be additional maintenance costs to the equipment because it was designed to handle a 50% RAP mixture. Furthermore, the plant operators would have to modify the operations by changing out certain equipment to accommodate a full-time operation of a 20% RAP mixture.

Asphalt Plant 2 Long Term Feasibility Study

StreetsLA's approach to the AP2 Long Term Feasibility Study is to evaluate the existing conditions at the City's AP2 and evaluate future operating alternatives to see how it ties into the City's Asphalt Plant Program. As part of a feasibility study, the objective and rational analysis of all the different alternatives is conducted to determine its strengths and weaknesses, potential opportunities and threats, resources required to carry out, and ultimate success prospects. Two criteria should be considered when judging feasibility: the required cost and expected value.

This assessment shall involve a cost-benefit analysis of the project, helping the City determine the viability, cost, and benefits associated with a project before financial resources are allocated. It also serves as an independent project assessment and enhances project credibility—helping decision-makers determine the positive economic benefits to the organization that the proposed project will provide.

The impacts of not funding this long-term feasibility study will inhibit the ability of the decision-makers to determine whether the technical ideas can be converted into fully operational and reliable systems.

March 30, 2023

Page 12 of 12

CONCLUSION

StreetsLA strives to reduce the overall cost of annual maintenance of our City's paved roads by being environmentally conscious, prioritizing worker safety, and continuing to develop green technologies. This budget request will address the difficulties that the City's Asphalt facilities are experiencing. StreetsLA continues to look for ways to provide the most cost-effective asphalt pavement for use in the City of Los Angeles asphalt paving projects and recommends that the Municipal Facilities Committee approve all the recommendations provided in this report.

For additional information, please contact Derrick Lee of my staff via email at derrick.k.lee@lacity.org or by phone at (213) 442-4503.

c: Jeanne Holm, Office of the Mayor
Anna Guerrero, Office of the Mayor
Kay Ha, CAO
LaTanya Roux, CAO
Albert Griego, CAO
Elis Lee, CAO
Sharon Tso, CLA
Matias Farfan, CLA
Joshua Drake, CLA
Shirley Lau, StreetsLA
Al Bazzi, StreetsLA
Robert Sewell, StreetsLA
Victor Cortes, StreetsLA
Ioana June, StreetsLA
Derrick Lee, StreetsLA
Jeffrey Tangonan, StreetsLA