



Peter Mosher  
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negotiations with other refineries. In addition, we were advised that while you have run your business on a part-time basis since 2009, you retired from Federal employment on February 28 this year, and you will hereafter perform the business on a full-time basis.

Further, you indicated that you were involved throughout the process, from finding projects to negotiating price with refineries and delivering the product. Also, you stated that you have, at least once in the past, incurred loss of approximately \$18,000 when the sub-hauler you hired delivered the wrong grade of oil and delayed a project. This led to the prime contractor charging you for traffic control. However, I am told that the prime contractor was able to use the asphalt oil for a different project and, there was no liability incurred on the asphalt oil. The above findings lead us to conclude that while risks associated with the purchase and delivery of asphalt oil were mitigated by prime contractors; you are taking steps to overcome this by changing your business model.

Therefore, while at this time I am upholding the decision, I am inclined to instruct the CEU to review your business operation within the next four months, and no later than July 31, 2012. I am allowing this to ensure that the changes you are proposing can be verified through documentation. This will allow both you and the CEU to have sufficient time to gather documentation to reflect the changes you are proposing to your business operations. These changes could include, but not be limited to; evidence of purchase and payment for asphalt oil from your business account as opposed to joint checks, marking up price of asphalt oil similar to other suppliers of the product, bills of lading documents for the delivery of asphalt oil from the refinery to project sites, and evidence of insurance coverage for the risk of loss of asphalt oil. The CEU will also work with Caltrans resident engineers on projects to verify delivery of products.

I would like to thank you for cooperating with my staff throughout the review and reconsideration process, and trust you will continue to work with Caltrans to have this resolved.

Sincerely,



BLANCA RODRIGUEZ  
Acting Deputy Director  
Office of Business and Economic Opportunity

c: Office Engineer