



Granite Construction Company
2716 Granite Court
Fresno, CA 93706

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graniteconstruction.com

April 4, 2013

VIA FACSIMILE (916) 227-6282

Mr. John McMillan
Department of Transportation
Deputy Division Chief
Office Engineer, MS 43
Division of Engineering Services
1727 30th Street
Sacramento, California 95816-8041

RE: Caltrans Contract No. 06-430704 (the "Contract")
Bid Opening: 03/20/2013

Dear Mr. McMillan:

Granite Construction Company ("Granite") submitted a bid to the California Department of Transportation (the "Department") for the above-referenced Contract. Currently, Lee's Paving, Inc. ("LPI") is the apparent low bidder and Granite is the second low bidder. LPI's bid is nonresponsive because it fails to comply with the Contract requirements for subcontractor listing.

The Department's Subcontractor List form states in part, "Complete columns 1 and 4 and submit with the bid. Complete columns 2 and 3 and submit with the bid or fax to (916) 227-6282 within 24 hours after the bid opening. Failure to provide complete information in columns 1 through 4 within the time specified will result in a nonresponsive bid."

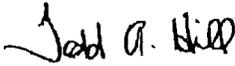
LPI's original Subcontractor List submitted with its bid (Attachment 1) and LPI's second Subcontractor List submitted after the bid opening (Attachment 2) are materially inconsistent. After the bid opening, LPI revised its Subcontractor List by adding subcontracted work for CMG Hydroseeding ("CMG") that was not included in the original Subcontractor List. LPI's original Subcontractor List identified "Temp. fence" as the description of subcontracted work for CMG. However, after the bid opening, LPI added "Temp Fiber Roll" to the description of subcontracted work for CMG in column 4 of its second Subcontractor List. LPI also included Bid Item No. 4 (Temporary Fiber Roll) and Bid Item No. 8 (Temporary Soil Binder) in column 2 of its second Subcontractor List. Both

of those bid items are inconsistent with LPI's original description of subcontracted work for CMG.

LPI's bid does not comply with the Contract requirements for subcontractor listing. LPI revised the description of subcontracted work in column 4 on its Subcontractor List and is attempting to expand the scope of work subcontracted to CMG after the bid opening. Granite respectfully requests that the Department reject LPI's bid as nonresponsive and award the contract to Granite, which submitted the lowest responsive bid for the Contract.

If you have any questions or would like additional information, please contact me at (559) 441-5724.

Sincerely,



Todd A. Hill
Construction Manager

Enclosures:

- Attachment 1 – Lee's Paving, Inc. original Subcontractor List submitted with its bid
- Attachment 2 – Lee's Paving, Inc. second Subcontractor List submitted after the bid opening

Attachment 1

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUBCONTRACTOR LIST
DES-OE-0102.2 (REV 3/2011)

Bidder Name: Lee's Paving, Inc.

The bidder must identify each subcontractor performing work in an amount in excess of 1/2 of 1 percent of the total bid or \$10,000, whichever is greater (Pub Cont Code § 4100 et seq.). Complete columns 1 and 4 and submit with the bid. Complete columns 2 and 3 and submit with the bid or fax to (916) 227-8282 within 24 hours after the bid opening. Failure to provide complete information in columns 1 through 4 within the time specified will result in a nonresponsive bid.

Column 1: Business Name and Location	Column 2: Bid Item Nos.	Column 3: Percentage of Bid Item Subcontracted	Column 4: Description of Subcontracted Work
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RainScape visalia, CA			Erosion control 7 irrigation system
If alopoff & Sons, Porterville, CA			pipe & related items concrete & related items
Sembrano Traffic Control Wilton, CA			traffic control striping & related items
Safety Striping Service Foshen, CA			Fence
Central Fence Co Sacramento, CA			Temp. fence
CMG Hydroseeding Fresno, CA			Remove concrete clear & grub
Krocker, Inc. Fresno			Partion of road way
South Mack Grind- ing Visalia			Sign, mailbox markers & delinators
KRC Safety Visalia, CA			acc Testing
Trinity Eng. Lab Visalia			Box HMA

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Dorfmeier Masonry, Inc.
Fresno, CA
Macedo Electric
Selma — electrical

Contract No. 06-430704

YANK

Attachment 2

(page 1 of 3)

Lee's Paving, Inc.

1212 North Plaza Drive

Visalia, CA 93291

Phone (559) 651-1337

Fax (559) 651-2335

Fax Transmittal

Date: 3-21-13 (8:10 AM)

To: _____

Company: Cal-Trans

Fax Number: 916-227-6282

From: Lee McClatchey

Number of Pages 3 Including This Cover Page

If you do not receive all of the pages please call (559) 651-1337

Comments: Sub-List for Contract # 06-480704

Attachment 2

(page 2 of 3)

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUBCONTRACTOR LIST
DES-DE-0102.2 (REV 3/2011)

Bidder Name: *Lee's Paving, Inc.*

The bidder must identify each subcontractor performing work in an amount in excess of 1/2 of 1 percent of the total bid or \$10,000, whichever is greater (Pub. Cont. Code § 4100 et seq.). Complete columns 1 and 4 and submit with the bid. Complete columns 2 and 3 and submit with the bid or fax to (916) 227-6282 within 24 hours after the bid opening. Failure to provide complete information in columns 1 through 4 within the time specified will result in a nonresponsive bid.

Column 1: Business Name and Location	Column 2: Bid Item Nos.	Column 3: Percentage of Bid Item Subcontracted	Column 4: Description of Subcontracted Work
<i>Rainscape Visalia, CA</i>	<i>31, 32, 33, 35</i>	<i>100%</i>	<i>Erosion Control & Irrigation System</i>
<i>Halopoff + Sons Inc. Porterville, CA</i>	<i>19, 18, 53, 34 41, 46, 47, 48 49, 50, 51, 52 21</i>	<i>100% 10%</i>	<i>Pipe + Related Items Concrete + Related Items</i>
<i>Sambrano Traffic Control Lilton, CA</i>	<i>11</i>	<i>100%</i>	<i>Traffic Control</i>
<i>Safety Striping Service Goshen, CA</i>	<i>16, 28, 57, 58 59, 60, 61, 62 63, 64, 65, 66 75, 76, 77</i>	<i>100%</i>	<i>Striping + Related Items</i>
<i>Central Fence Co. Sacramento, CA</i>	<i>15 54</i>	<i>58% 100%</i>	<i>Fence</i>
<i>CMG Hydroseeding Fresno, CA</i>	<i>1, 4, 8</i>	<i>100%</i>	<i>Temp. Fence + Temp. Fiber Roll</i>
<i>Kroeker Inc. Fresno, CA</i>	<i>15 25 26</i>	<i>42% 100% 100%</i>	<i>Remove Concrete, Clear + Grub</i>
<i>South Mack Grinding Visalia, CA</i>	<i>27</i>	<i>22%</i>	<i>Portion of Rd. Way Ex.</i>
<i>KRC Safety Co. Visalia, CA</i>	<i>10, 17, 19, 20 22, 42, 43, 44 46, 47, 55, 56</i>	<i>100%</i>	<i>Signs, Mailboxes, Markers + Delineators</i>

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Contract No. 06-430704

Attachment 2
(page 3 of 3)

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUBCONTRACTOR LIST
DES-OE-0102.2 (REV 3/2011)

Bidder Name: *Lee's Paving, Inc.*

The bidder must identify each subcontractor performing work in an amount in excess of 1/2 of 1 percent of the total bid or \$10,000, whichever is greater (Pub Cont Code §4100 et seq.). Complete columns 1 and 4 and submit with the bid. Complete columns 2 and 3 and submit with the bid or fax to (916) 227-6282 within 24 hours after the bid opening. Failure to provide complete information in columns 1 through 4 within the time specified will result in a nonresponsive bid.

Column 1: Business Name and Location	Column 2: Bid Item Nos.	Column 3: Percentage of Bid Item Subcontracted	Column 4: Description of Subcontracted Work
<i>Trinity Eng. Lab, Clovis, CA</i>	<i>38</i>	<i>2.5%</i>	<i>QA/QC Testing for HMA</i>
<i>Dorfmeier Masonry Inc Fresno, CA</i>	<i>21</i>	<i>41%</i>	<i>Portion of Reconstruct Sign</i>
<i>Madco Electric Selma, CA</i>	<i>68,69,70 71,72,73 78</i>	<i>100% 67%</i>	<i>Electrical</i>

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Contract No. 06-430704