

BAY CITIES PAVING & GRADING INC.

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June 5, 2015

FAXED AND MAILED

Department of Transportation
Division of Engineering Services
P.O. Box 168041, MS 43
Sacramento, CA 95816-8041

Attn: John McMillan, Deputy Division Chief

Project: 10-OW1404
Bid Opening: 05/14/2015
Re: Response to Protest of Granite Construction Company

Dear Mr. McMillan,

On May 28, 2015, Granite Construction Company ("GCC") submitted a protest of Bay Cities' bid. There is no merit to GCC's protest. GCC argues that A.C. Dike's and Dragon's Participation are overstated. Bay Cities responds as follows:

A.C. Dike's Participation is Correctly Stated

Bay Cities plans to have A.C. Dike begin its work at 5:00 a.m.. The current sunrise time is at 5:56 a.m. so that A.C. Dike's work will begin in the dark. Bay Cities, therefore, used A.C. Dike's nighttime rates because A.C. Dike's work will begin at nighttime (i.e. prior to sunrise).

Dragon Material Transport's Participation Was Understated

GCC's argues that Bay Cities has overstated the participation of Dragon Material Transport, Inc.'s ("Dragon") by including the cost of taxes as a cost of the liquid asphalt that Dragon will be supplying. For numerous past projects, Caltrans has allowed taxes to be included in the determining the participation of DBE's who provide liquid asphalt as a second-tier supplier to an Asphalt Concrete manufacturer. But even if GCC is correct and even if Caltrans' Contract Evaluation Unit (CEU) wrongly allowed taxes to be included in determining participation for past projects, GCC's conclusion remains wrong.

Bay Cities listed Dragon to supply liquid asphalt for Hot Mix Asphalt (HMA). The Bid Quantity for Item No. 37, HMA, is 10,600 tons. Caltrans does not establish a set percentage of liquid asphalt to be used to produce HMA. Instead, Caltrans requires that a Job Mix Formula (JMF) be designed for the specific aggregate material that will be used for the project. Bay Cities will be purchasing its HMA through Vulcan Materials. The quote that Bay Cities attached to confirm Dragon's participation shows that Dragon estimated that it would supply approximately 500 tons

John McMillan

June 5, 2015

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of PG 64-14. Based on 10,600 tons of HMA for Item 37, the 500 tons of liquid asphalt would only amount to 4.7% of the HMA tonnage. In issuing its quote, Dragon was only making a rough estimate of the liquid asphalt it would be supplying because the actual quantity depends on the aggregates that the HMA plant will be using and the JMF. For instance, it is common for manufacturing plants to use Reclaimed Asphalt Pavement ("RAP") as a cost-saving method in producing HMA rather than using virgin rock. Since RAP already includes asphalt, the HMA plants need to add approximately 5% liquid asphalt to produce a HMA mix. In contrast, plants that use virgin rock, need to add more liquid asphalt (approximately 6%-7%) to produce their HMA.

As shown by Dragon's bid, Dragon will be providing liquid asphalt to Vulcan's plant in Los Banos. Vulcan's Los Banos plant, however, cannot produce HMA with RAP. To produce the 10,600 tons of HMA that Bay Cities will need on the Project, Vulcan will need to purchase 667.80 liquid tons from Dragon (See Exhibit A) at a cost of \$277,804. Vulcan's mix is based on an asphalt binder content of 6.3%. Since Caltrans requires a minimum asphalt binder content of 6% for the 2,630 tons of HMA being placed as HMA Valley Gutters, Vulcan's HMA will comply with all Caltrans' requirements.

Based on Vulcan's purchase of \$277,804 worth of liquid asphalt from Dragon, Dragon's DBE participation will be \$166,682 (60% x \$277,804). Due to actual percentage of liquid asphalt required for the Project, Bay Cities' DBE participation will be 10.2%. GCC was correct in stating that there was a miscalculation in determining the amount of DBE participation. And GCC was correct in stating that Caltrans should correct the percentage of DBE shown to reflect the actual amount of DBE participation that Bay Cities attained. Bay Cities' DBE participation should be corrected to show 10.2% DBE participation and Bay Cities should be awarded the Contract for having met the DBE goal. If you should have any questions regarding this matter, please contact me.

Sincerely,



Marlo Manqueros
Vice-President

cc: File

Exhibit A
Page 1 of 2**Vulcon**
Materials Company
Western Division

June 5, 2015

Bay Cities Paving & Grading Inc
Attn: Ben Rodriguez
PO Box 6227
Concord, CA. 94524

RE: 10-0W1404 Hwy 152

Dear Mr. Rodriguez:

Item number 37 on contract 10-0W1404 calls for 10,600 tons of Hot Mix Asphalt (Type A) of which we will be producing at our Los Banos HMA plant. Our binder content on this is about 6.3%, which calls for 667.80 liquid asphalt tons. This facility is not capable of producing HMA with RAP. Therefore, our cost for Liquid Asphalt on this contract will be \$277,804.80 if the quantities on the HMA hold. Attached is our DBE suppliers quote.

If you have any questions, please contact me at (559) 434-1202. Thank you for your attention to this matter.

Sincerely,

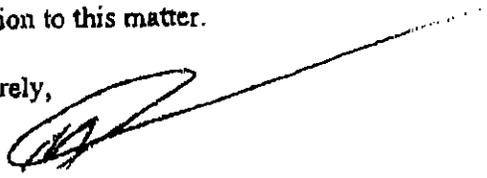

Marcos Galaviz
District Sales Manager
Vulcan Materials Co./Triangle Rock Products

Exhibit A
Page 2 of 2

DRAGON

MATERIAL TRANSPORT, INC.

P.O. Box 27800, Fresno, CA 93729-7800
Office (559)351-8822 Fax (559) 276-0818
CA No. 0366649

DBE/WBE/UDBE Firm No. 37444
SBE 52655

---QUOTE

Vulcan Materials Company
Attn. Marcos Galaviz
Date: 5/14/15

Project: Caltrans 10-0W1404, HWY 152
Material: +/-500 - Ton - PG 64-16
Delivered Price: \$416.00 Per U.S. Ton + Any applicable taxes

ORIGIN: SJR
DESTINATION: Vulcan - Los Banos

- *5% Crude Index
- *Standby after 1 hour from scheduled delivery time at \$100.00 per hour
- *Pricing based on full loads - 26.00 ton
- *Fuel surcharge - rate increase - add \$1.00 for every \$.10 increase if California On-Highway reaches \$4.20 per gallon. www.eia.gov \$3.250 on bid day.

facsimile TRANSMITTAL

to: John McMillan/ Deputy Division Chief, Caltrans
fax #: (916) 227-6282
re: CDOT Contract 10-0W1404
date: June 5, 2015
pages: 5, including cover sheet

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From the desk of...

Mario Manqueros
Vice-President
Bay Cities Paving & Grading, Inc.
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Concord, CA 94524-6227

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