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April 9, 2015

State Contractor's License No. 211337-A



California Department of Transportation
 Division of Engineering Services
 Office Engineer, MS-43
 P.O. Box 168041
 Sacramento, CA 95816-8041
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Attention: John McMillan, Deputy Division Chief

RE: Contract 10-0Y9104
 Bid Opened March 17, 2015
 Response to Teichert Construction

Dear Mr. McMillan:

Please consider this letter to be a response to A. Teichert & Son Inc.'s DBA Teichert Construction (Teichert) letter dated April 8, 2015 which responded to George Reed, Inc.'s (GRI) Protest of their bid. GRI maintains that Teichert's price is both mathematically and materially unbalanced.

Teichert claims that GRI tries to prove our point by showing assumed calculated areas and assumed means and methods for Teichert's Tack Coat placement. There are no assumed areas in this case. The calculations are based upon the plans and actual measurements of the existing road. As far as means and methods are concerned the specifications are clear as to the application and residual tack coat rates that are required. In GRI's calculations the application rates assumed were 0.05 gal/SY for existing HMA surfaces and 0.09 gal/SY for planed areas. As the following chart from the Caltrans 2010 Standard Specifications shows, GRI was conservative in the application rates. The chart shows 0.03 gal/SY for existing HMA surfaces and 0.05 gal/SY for planed surfaces when using CSS1/CSS1h, SS1/SS1h and QS1h/CQS1h asphaltic emulsion. By using these application rates the total quantity of Tack Oil would actually be less than GRI originally shown in our protest. As far as means and methods are concerned, no matter how Teichert goes about applying the Tack Coat the application rates will apply. To reach the bid quantity Teichert would have to more than triple the application rates shown in the chart. The only way around this is to change the area to which it is being applied. The fact that a bidder inquiry stated that the quantity had been verified does not change the fact that the area calculations show that a significant underrun. The areas used in GRI's protest are being generous as to the amount of Tack Coat being used and Caltrans must re-evaluate the answer given in the bidder inquiry to reflect the reality of the actual site conditions as related to the plans. Teichert is relying on the bidder inquiry response to relieve them of the fact that they have unbalanced their bid and have taken advantage the quantity underrun.

EXCERP FROM CALTRANS 2010 STANDARD SPECIFICATIONS:

39-1.09C Tack Coat
 Apply tack coat:

1. To existing pavement, including planed surfaces
2. Between HMA layers
3. To vertical surfaces of.

- 3.1. Curbs
- 3.2. Gutters
- 3.3. Construction joints

Before placing HMA, apply tack coat in 1 application. The application rate must be the minimum residual rate specified for the underlying surface conditions shown in the following tables:

Tack Coat Application Rates for HMA Type A, Type B, and RHMA-G			
HMA overlay over:	Minimum residual rates (gal/sq yd)		
	CSS1/CSS1h, SS1/SS1h and QS1h/CQS1h asphaltic emulsion	CRS1/CRS2, RS1/RS2 and QS1/CQS1 asphaltic emulsion	Asphalt binder and PMRS2/PMCRS2 and PMRS2h/PMCRS2h asphaltic emulsion
New HMA (between layers)	0.02	0.03	0.02
PCC and existing HMA (AC) surfaces	0.03	0.04	0.03
Planed PCC and HMA (AC) surfaces	0.05	0.06	0.04

Teichert also talks about it being an industry standard to bid Tack Coat at \$1.00/TN. Let it be known that this protest isn't about bidding Tack Coat at \$1.00/TN but rather has to do with the fact that Teichert has now made its bid materially unbalanced by doing so. Teichert has not addressed by mathematical unbalancing except to say that \$1.00/TN is an industry standard. They provide no explanation stating why \$1.00/TN should be accepted. In fact, by saying that is has been the norm Teichert is saying that they realize that they have mathematically unbalanced their bid which leads to the materially unbalancing but that is just the way it's been done in the past. Caltrans evaluates each bid on its own and should continue to do so in this case. It should be noted that although this was an industry standard in the past it is no longer the norm. A quick review of recent bid results on Caltrans' website will show that very few contractors continue to bid Tack Coat at \$1.00/TN.

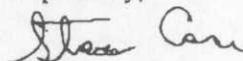
Please consider these facts as you continue to evaluate Teichert's bid.

Once again, it is respectfully requested that Caltrans deem Teichert non-responsive and award this project to George Reed, Inc., the lowest responsive/responsible bidder.

Thank you for your consideration.

Please call with any questions,

Respectfully,



Stacy Case
Chief Estimator
George Reed Inc.

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FAX TRANSMITTAL

Date: April 9, 2015

To: John McMillan, Deputy Chief
Company: State of California, Department of Transportation
Phone:
Fax: 916-227-6282

From: Stacy Case
Company: George Reed, Inc. – Modesto
Phone: (209) 523-0734
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Pages Faxed: 3

Project Name: 10-0Y9104

Comments: George Reed, Inc. response to Teichert Construction.

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Thanks, Stacy Case