

DEPARTMENT OF TRANSPORTATION
DIVISION OF ENGINEERING SERVICES
OFFICE ENGINEER
P.O. BOX 168041, MS-43
SACRAMENTO, CA 95816-8041
PHONE (916) 227-6299
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*Serious drought.
Help save water!*

May 1, 2015

Facsimile: (573) 221-1892

Chester Bross, President
Chester Bross Construction Company
P.O. Box 430
Hannibal, MO 63401

10-0Y9404
10-Ama-88-38.0/46.9
B.O. 2/26/2015

Dear Mr. Bross:

The Department of Transportation (Caltrans) received a letter dated March 13, 2015, from Chester Bross Construction Company (Bross), protesting bid documents submitted by George Reed, Inc. (GRI) for contract 10-0Y9404. The protest alleges that GRI's bid for Bid Item 3, Traffic Control is more than the mean average price of the next three bidders. The protest further alleges that Bid Item 19, Rubberized Hot Mix Asphalt is unbalanced compared to the mean average unit price of the next four bidders. Chester Bross requests Caltrans find the bid submitted by GRI both mathematically and materially unbalanced and award the contract to Chester Bross.

Caltrans follows the procedures and requirements set forth in 23 C.F.R. 635 when determining whether a bid is mathematically or materially unbalanced. 23 C.F.R. 636.110 defines mathematically and materially unbalanced bids as follows: A mathematically unbalanced bid is "a bid containing lump sum or unit bid items which do not reflect reasonable actual costs plus a reasonable proportionate share of the bidder's anticipated profit, overhead costs, and other indirect costs." A materially unbalanced bid is "a bid which generates a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will result in the lowest ultimate cost to the [State]." 23 C.F.R. 635.114 provides that a State Transportation Department may award a bid that is mathematically unbalanced but may not award a contract that is materially unbalanced.

In reviewing the bid submitted by GRI, the protest letter from Chester Bross, and the response from GRI, Caltrans determined that GRI's bid may be mathematically unbalanced, but it is not materially unbalanced and is not detrimental to the State. Caltrans makes this finding based on the following:

1. Item 3, Traffic Control Systems:

In response to the protest by Chester Bross, GRI stated that this lump sum cost covers more than the cost of their subcontractor, Sambrano, who is strictly dedicated to lane closures and not the entire operation. GRI needs to acquire many traffic control devices to perform the contracted work (Delineators, Signage, Barricades, Temp Striping, Temp. markings, Portable Transverse Rumble Strips, Fleet Management and Equipment Acquisitions). GRI will also be required to manage the entire traffic control operation for 24 hours a day for 35 days with its own forces. Sambrano will only be providing resources strictly dedicated to a lane closure, not the entire operation. Caltrans does not find that this is detrimental to the State nor does it render the bid materially unbalanced.

2. Item 14, Cold Plane AC Pavement;

In response to the protest by Chester Bross, GRI stated that the main reason for the lower unit price is the credit that they get for returning the aggregate back to their own plant and reusing it for shoulder backing. The credit is then reflected in the unit price. Caltrans does not find that this is detrimental to the State nor does it render the bid materially unbalanced.

3. Item 15, Shoulder Backing;

In response to the protest by Chester Bross, GRI stated that the main reason for the lower unit price is due to a percentage of the reclaimed cold plane ac grindings that come from the project get recycled back to their plant and get used again as shoulder backing. Caltrans does not find that this is detrimental to the State nor does it render the bid materially unbalanced.

4. Item 19, Rubberized Hot Mix Asphalt (Gap Graded);

In response to the protest by Chester Bross, GRI stated that it can produce the materials in-house for a significantly cheaper price and they get an internal discount on their binder from their sister company. Caltrans does not find that this is detrimental to the State nor does it render the bid materially unbalanced.

Mr. C. Bross
May 1, 2015
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Based on the above, Caltrans will proceed to award this Contract to the lowest responsive and responsible bidder, provided all requirements have been met.

If you have any questions, please contact Mulissa Smith, Contract Awards Branch Chief, at (916) 227-6228.

Sincerely,



JOHN C. McMILLAN
Deputy Division Chief
Office Engineer
Division of Engineering Services

TRANSMISSION VERIFICATION REPORT

TIME : 05/01/2015 15:41
NAME : OE AWARDS
FAX : 9162276320
TEL : 9162276299
SER. # : BROM3J484361

DATE, TIME	05/01 15:41
FAX NO. /NAME	915732211892
DURATION	00:00:39
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RESULT	OK
MODE	STANDARD ECM

STATE OF CALIFORNIA—CALIFORNIA STATE TRANSPORTATION AGENCY

EDMUND G. BROWN Jr., Governor

DEPARTMENT OF TRANSPORTATION

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