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June 22, 2015

State of California, Department of Transportation
Division of Engineering Services
Office Engineer MS-43
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01-262064
01-MEN-101-45.0/50.8
B.O 04/28/2014

Dear John C. McMillan:

We acknowledge receipt of your June 17, 2015 letter regarding Project No. 01-262064. Empire Landscaping ('Empire') vigorously opposes and contests the substance of your 17th letter rejecting our bid and we fully intend to provide a written rebuttal to Caltrans. Given that we just received the June 17th letter (and did not previously receive the three bid protests referenced in the letter).

Further, your June 17th letter appears to indicate that our bid may be rejected based on the ground that empire is not a responsible contractor. If you are truly rejecting our bid based on a responsibility determination, California law and due process requires that a public entity afford a bidder a hearing to rebut the finding of non responsibility. We will demand such a hearing before contract award.

With respect to bid item 2, Time-Related Overhead, Empire provide an explanation that the reason for the low bid price for this item is that the costs were placed in the overhead costs in bid item 31 Mobilization. Regarding bid item 2; There is a misunderstanding. Empire did not stated that time-Related Overhead cost was put on Mobilization. Our mobilization was \$400.000 and less than %10 of total bid amount. This mobilization amount is reasonable and should be acceptable by Caltrans. Empire is solo owned and operated company with minimum overhead cost, and actual construction duration needed for this project way less than 500 working days.

With respect to bid item 3, Empire inflated the cost of this item to cover the field overhead costs and administrative costs to oversee craft workers in the field. However this is also an inappropriate allocation of costs since Job Site Management is intended to cover the costs related to Storm Water Pollution Control management practices.

Regard to bid item 3 Job Site Management; Empire is solo owed and owner is the project manager. Regarding cost related to storm water pollution control management practices also owner and project manager of Empire is certified erosion sediment and storm water inspector CESSWI [REDACTED] and state certified QSP (qualified storm water pollution prevention practitioner) [REDACTED]. Because for this certification and qualification Empire does not have to hire any sub contractor for this portion of work. Empire do field inspection and all related work in house. More importantly related this work there are bid items on this project and all were going to be paid separate bid items. Those bid item are 4- SWPPP is \$3,000 item # 5 rain action plan \$75,000 item # 6 storm water sampling and analysis is \$64,000 item # 7 storm annual water report \$12,000 item # 8 temporally erosion control \$30,000 item #9 temporary tacked straw \$2,600 item # 10 temporary fiber roll \$60,000 item # 11 temporary construction entrance is \$15,000 this is not just \$10,000 all together is \$271,600.

With respect to bid item 29 Develop Water Supply. Bidder did not anticipate the need to have an irrigation system. However in order to successfully meet the mitigation requirements from regulatory agencies a water supply is necessary to ensure plant survival.

With regarding bit item 29, Develop water supply; Empire will develop water supply and estimated cost with mark up is \$50,000 bid item 29. After we talked with neighboring ranchers and well contractor getting water from ranchers to project area or doing well in project site cost is \$40,000 to \$45,000. How ever installing irrigation system for plant survival is different than developing water supply. Installing irrigation system should be additional bid line item and this question was asked and requested to adding bid line item to Caltrans, before bid opening. Caltrans did not add bid line item for Irrigation system (question and answer was attached) As an Agriculture engineer, California Agriculture Pest control Adviser [REDACTED] and certified arborist [REDACTED] I said that ground was too wet at this moment winter time near by creek is flooding and also part of the project area is already wetland because of this to be able to determent how much watering needed and how should be irrigation system installed I will tell you in July or August after water drained. I specify emphasized first year after planting they needs to be watered. Also I said that because of ground water level is too high and all plants are native, over the time, after plants were established they don't need water. Because there is no bid line item for installing irrigation system as suppose to be all other Caltrans project. It would be more accurate to put installing irrigation system cost to on bid item 17, 18, 19 and 20 plats. Because we were planning to install drip irrigation as we turned on our supplier DBE list.

We strongly believe that our letter will assuage any concerns Caltrans may have regarding Empire's ability to perform this project and we look forward to your reconsideration of your past published position.

Sincerely,
Ahmet Gulcu President

A handwritten signature in black ink, appearing to read 'A. Gulcu', written in a cursive style.