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State Contractor's License No. 211337-A



March 19, 2015

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

**Regarding:** Contract 10-0Y9404  
Bid Opened February 26th, 2015  
Bid Protest Response

Dear Mr. McMillan:

GRI is the apparent low bidder on contract 10-0Y9404. The purpose of this letter is to respond to the arguments set forth by Chester Bross Construction dated February 13<sup>th</sup>, 2015. As defined below, the arguments lack merit and GRI should be awarded the contract. GRI presented a balanced bid and any arguments to the contrary are based upon a fictional analysis clearly not sustained by factual information.

**George Reed submitted a balanced bid:**

A mathematically unbalanced bid is defined in 24 CFR 635.102 as "a bid containing a lump sum or unit bid items which does not reflect reasonable actual costs plus a reasonable proportionate share of the bidders anticipated profit, overhead cost, and other indirect cost." Chester Bross states that GRI listed Sambrano Traffic Control to perform their traffic control in the amount of \$92,250.00 and that amount is far less than the total of line item 3. GRI refutes Chester Bross Construction's claim simply by the fact that on bid day GRI had listed Sambrano Traffic Control to do a *portion* of the work outlined in bid item 3. The total cost of Sambrano is not a complete reflection of the total cost to perform the *full* item of work. As outlined in the Project Special Provisions, GRI will need 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 need to manage the entire traffic control operation 24 hours a day for 35 working days with its own forces. Sambrano

Traffic Control, as outlined in GRI's bid summary, will only be providing the resources strictly dedicated to a lane closure and not the entire operation. Also, as permissible, there is additional cost in this item which reflects GRI's profit, overhead cost, and other indirect cost.

**GRI's bid price for Item 19 RHMA-G is substantially lower than that of the average of the remaining bidders and it in fact does reflect reasonable cost, overhead, profit and anticipated direct cost.**

Chester Bross's analysis is clearly flawed simply by using the average pricing of other non-material producing contractors. GRI has a significant material advantage on this project due to the geographical location along with an internal pricing structure that cannot be determined through a fictitious analysis or an average based comparison of the contractor(s) whom cannot internally produce the product(s) required to construct the project. Chester Bross along with ALL other bidders will need to purchase the materials through an outside supplier. GRI can produce the materials in-house for a significantly cheaper price. Also, in reference to the unit prices given on Cal Trans Project 10-0W5604, GRI's unit price was derived from mathematical calculations specific to that project. Project 10-0W5604 has completely different requirements as to both the production of the materials along with the placement and timeframes allotted by the Project Special Provisions. Project 10-0W5604 unit prices have absolutely nothing to do with the unit prices derived on Cal Trans Project 10-0Y9404.

**GRI's bid is not materially unbalanced and the state will NOT inevitably pay higher prices for contractor performance.**

As shown in Chester Bross's analysis, the state will inevitably not pay higher prices to perform the work as contracted. Although the mathematical reasoning provided by Chester Bross is fundamentally flawed, the numbers clearly show that no matter where the quantities end up at project completion, the state will still pay the least amount of money to GRI for the project. GRI bid the project according to the quantities given in the bid documents and any evidence to the contrary is purely fabricated in a desperate attempt to try and deceive the state into believing that they will be at a disadvantage by selecting GRI.

It is clear that Chester Bross's argument lacks merit. By simply assuming that the design engineer made a mistake and GRI unbalanced their bid is purely fabricated. Chester Bross developed this argument using their own assumptions without any support from factual evidence. It is clear that Chester Bross has been trying for the last couple of years to protest any bid in which they rank second, third or even fourth. This becomes quite evident in the aforementioned protest as they use "Teichert's" name in lieu of GRI's. This protest letter is simply a cut and paste version of all other protest letters sent by Chester Bross (See Protest for 10-0W1904 where the exact language is present in the header). Based on the above findings please proceed with awarding this project to the lowest responsible bidder George Reed Inc.

Specific awarded contracts (awarded to GRI) where similar traffic control and RIIMA prices were used can be supplied if necessary.

Please call with any questions,

Respectfully,



Stacy Case  
Chief Estimator  
George Reed Inc.

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## FAX TRANSMITTAL

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**Date:** March 19, 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  
**Fax:** (209) 523-4927

**Pages Faxed:** 4

**Project Name:** 10-0Y9404

**Comments:** Response to Bross's Bid Protest Response

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Thanks, Stacy Case