

June 27, 2011

City of Albany 1000 San Pablo Ave. Albany, Ca 94706

Re: Pierce Street Pavement Rehabilitation and Phase I Bikeway City Contract No. C09-05

Subject: Relief of Bidder

Dear Mr. Cunningham,

On Tuesday, June 21, 2011 Ghilotti Construction Company (GCC) submitted a bid proposal on the above referenced project. Upon further review of our bid we discovered a mistake in the bid price that we submitted. Accordingly, we are compelled to ask for relief of bid from the City of Albany per Public Contracting Code 5100.

We are requesting relief of bid because of an error made in our bid. The error was two fold and involved the fact that we 1) inadvertently "overwrote" items of our own logic and cost when "awarding" the concrete curb, gutter and sidewalk to our listed subcontractor R.E. Maher and 2) in Item No. 1.08 Aggregate Base with an engineer's quantity of 2,935 CY we mistakenly entered 2,935 TN as the sublevel to this item.

Regarding the first mistake, in our estimating software program we create sublevel items under each Bid Item for the various components of work. In this case under each of the minor concrete items we created sublevel items for making subgrade and placing and finegrading the rock cushion under the bus pad, curb, gutter and sidewalk as well as a sublevel item for the concrete work itself. The mistake that we made was when we awarded the minor concrete items to R.E. Maher we did so at the wrong sublevel and thereby erased all of our cost for the subgrade and rock cushion leaving us with just the cost of the concrete only. The value of the erased work is approximately \$62,5000.00

Regarding the second mistake, we only entered 2,935 <u>TN</u> as the sublevel to Item No. 1.08 Aggregate Base with an engineer's quantity of 2,935 <u>CY</u>. The correct quantity for this item should have been 5,870 <u>TN</u> (the conversion for which is two tons per cubic yard). We are missing all of the costs to buy, haul and place this additional 2,935 tons. The value of the missing work is approximately \$73,375.00

The total missing \$135,875.00 from our bid for the work made our bid less then we intended it to be. Ghilotti Construction Company does not have the ability to absorb this cost, which is why we are requesting bid relief.

GCC's mistake made its bid materially different than it intended it to be. Further, the mistake was made in filing out the bid and not due to error in judgment or to carelessness in inspecting the site of the work, or in reading the plans or specifications.

If you have any questions or wish to discuss this matter please contact me at (707) 585-1221.

Thank you in advance for your consideration in this matter. Ghilotti Construction apologizes for any inconvenience this request causes the District.

Sincerely,

Thomas Smith

Estimating Manager