

**ABC Construction Co., Inc.
Salem, OR**

APAO Parking Lot Proposal



February 10, 2021

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Executive Summary

ABC Construction Co., Inc. (“ABC”) proposes to furnish the labor and materials necessary to complete the APAO parking lot for \$39,800, and substantially complete the project within two days upon starting, provided that any excavation and preparation work is complete at the time we start. ABC is an established local company with over 30 years of experience in all types of asphalt pavement work. We have successfully completed projects ranging from streets to highways, and take pride in completing projects on time and within budget. We also have experience in working with neighbors and businesses affected by our work – we treat everyone as if they were our neighbor. We look forward to working with you and are willing to answer any questions or concerns you may have.

Project Team

If APAO enters into a contract with ABC for the APAO Parking Lot project, the following individuals will be assigned to the project.

Pete Sipos: Pete has over 25 years of experience in infrastructure construction. Pete graduated from the University of Oregon with a degree in Business Administration, and he quickly started applying his leadership skills to infrastructure construction. Pete started as a field crew leader, and because he demonstrated exceptional math skills and understood the importance of quality, he quickly moved up the ranks and became a project leader within 5 years. Soon thereafter, ABC recognized that Pete shared our company’s values and we snagged him away from a competitor. He has been with the company for 20 years and is one of our most respected and liked leaders. Pete credits his success to consistently applying common sense – which is something we should all do more frequently!

Jason White: Although Jason’s experience is not entirely in infrastructure construction, Jason has proven himself to be a workhorse employee who is liked by our customers and his co-workers. Jason started as a salesperson for a local equipment dealer, which is where he developed exceptional communication skills and learned to pay close attention to detail. When ABC hired Jason 10 years ago, he was looking for an industry where he could apply his skills in a non-sales environment – in other words, rather than selling products made by someone else, he wanted to be involved in the creation and delivery of products. His goal fit what ABC does perfectly, and we decided to give him a chance. Neither the company nor Jason has looked back since! We value “can-do” attitudes and the ability to understand customer needs, both of which are Jason’s strengths. Should APAO hire ABC, Jason will be the primary point of contact.

Jason Fender: Jason will be ABC’s field crew leader should APAO choose ABC for the project. Jason grew up in the construction industry and provides exceptional leadership when the work is being done. Having held almost every position on a paving crew, Jason understands how all of the parts of a paving operation fit together and he also understands the challenges for each position. Jason uses that experience and knowledge to predict challenges and develop contingency plans for the unexpected. Jason is also fluent in Spanish and is a fantastic communicator when neighbors have questions. His knowledge of the industry instills confidence in customers and our workers.

Paving & Concrete Crews: We believe ABC’s crews are the most experienced and best trained in Oregon. All employees are trained in their positions and understand how what they do fits into the overall project. ABC utilizes local industry association training programs to ensure its employees are “up to speed” on the latest technology and methods for the work. All employees are encouraged to

participate in all such programs and are regularly invited to assist ABC leadership in developing company priorities and internal training programs. Should APAO choose ABC for the project, we believe that APAO will be impressed by our crews' skill, efficiency, and professionalism.

Cost of the Work

We propose to furnish the labor and materials necessary to complete the APAO parking lot for \$39,800. Our proposed project price is based on our calculations to determine the quantity of materials needed for the work as well as the labor costs for our paving crew to complete the work with two hours of overtime for our paving crew.

The quantities we estimated for the different items of work are shown on the included spreadsheet. Our proposed price is broken down as follows.

Asphalt Pavement Materials	\$30,080
Concrete Materials	\$665
Trucking	\$1,900
Asphalt Placement Labor	\$6,755
Concrete Placement Labor	\$300
Total	\$39,800

Construction Project Timeframe

We propose to complete the parking lot within 2 days upon starting, provided that any excavation and preparation work is complete at the time we start. With respect to the asphalt paving work, we estimate that the project requires 5,532 cubic feet of asphalt pavement, which corresponds to 401 tons.

Our asphalt trucks can haul 25 tons per trip, which results in 17 trips. Because our production facility is about 30 minutes from the project site, each of our trucks could make 7 trips per 8-hour shift.

Because our paving crews can pave 45 tons per hour for parking lot work, we would dedicate 1 crew to the project for a single 9-hour shift. Over 9 hours, trucks could make 8 trips, which results in the project requiring 2 trucks for the full 9-hour shift, and one additional truck load, for a total of 19 trucking hours (2 trucks for 9 hours, and 1 truck for 1 hour).

We propose to complete the minimal concrete work in less than 1 day. We estimate that the project requires 144 cubic feet of concrete, which corresponds to 5.3 cubic yards of concrete. One of our concrete crews can complete the necessary work to place that quantity of concrete in less than one hour, and there is no problem with one truck delivering that quantity in one trip.

Although the asphalt pavement and concrete work could overlap because the type of truck and the crew is different for each, we propose to complete the asphalt pavement on the first day of work and follow up with the concrete work on the second day. Asphalt pavement does not have any cure time and is "ready to use" when placed, which means that there would be no problems in placing the concrete next to the asphalt pavement the following day. Additionally, because the concrete and asphalt work is in close proximity, we recommend completing the work on different days to avoid unnecessary crowding – construction work is always more efficient when it can be done without distraction.

The scheduling estimate above is what we recommend, but if APAO has specific concerns because of planned business or neighbors, we would be willing to consolidate the work and complete all of it in one day. If there are any such concerns, please let us know and welcome the opportunity to consider them.

Communications Plan

ABC knows that communications are critical – sometimes the most important part of the job. We have experience communicating orally and in writing with our customers and those impacted by our work.

For example, our customers have included the Oregon Department of Transportation, large corporations, and individual homeowners, and we understand that each has different types of projects and requires different types of information. ODOT is an agency that spends public money on the infrastructure that enables businesses to operate and individuals to live their lives. As such, ODOT needs significant information to show the quality of the work and needs a contractor who can communicate effectively with the traveling public and affected businesses. On a recent project, we placed electronic message boards at the project location a month before the work was to begin. The message informed travelers of the extent of the work and the expected duration. We also created a simple website page for the project where we posted updates during the project, and frequently included the website address on message boards.

Large corporations have varying needs, but timing and durability are often critical concerns. Time is money for a company like Amazon and a delay or disruption in its ability to get trucks in and out of a distribution center could cost it millions of dollars. Accordingly, it needs to know exactly when parking and loading areas will be completed and what assurances are being taken to avoid delays and disruptions. On one project, we voluntarily completed our work at night to avoid the risk of daytime traffic delaying our asphalt trucks. We communicated our concerns and plan in a way that could be passed “up the chain” to corporate leadership, and the corporation modified its operations to fit our plan – which resulted in a successful project.

We also work with individual homeowners, who often do not know the difference between good and bad asphalt pavement, or how to prepare a project. However, driveways are expensive and homeowners often invest a significant amount of their savings in their driveways. Accordingly, homeowners need industry-specific jargon communicated in plain English, and they need to know what to expect in terms of life (i.e., how long their investment will last) and maintenance.

Based on our understanding, APAO is an organization that trains the workers and engineers who do what ABC does – road and highway construction. Most of the training is done between late fall and late spring (in other words, the “offseason”). That means that the driveway and parking lot is likely not used as much during the summer. If so and if we completed the work in August, there would be minimal disruption to APAO activities. Because we expect to complete all work in less than one week, there would be minimal disruption to any planned activities after we start work. Accordingly, APAO likely does not have a significant need for an elaborate communications plan.

However, as does any property owner, APAO has neighbors and the neighbors should be told of what is being done and how long we expect it to take. Below an example of what we would propose as a possible communication to neighbors.

To: APAO Neighbor

The Asphalt Pavement Association of Oregon is in the process of paving a parking lot and sections of its driveway, and hired ABC to do the work. As you know, APAO operates a training program that trains workers and engineers who work in the road and highway construction industry – and APAO wants to provide a clean and safe area for trainees to park. Currently, trainees park in a gravel area behind APAO’s training facility.

The paving will reduce dust during drier times of the year and the tracking of dirt during wetter times of the year, and generally provide a safe and organized area for parking. Additionally, APAO is not intending to increase the size of the existing parking area and we will follow all applicable requirements.

We estimate that it will take about two days to complete the work, and we are scheduling to complete it on August 15 and 16. If we need to adjust our schedule, we will let you know. We will complete the work during the day and none of it should interfere with your operations. Our crews will arrive in the morning at or around 7 AM, and should be done for the day no later than 5 PM. During the work shift, there will be periodic truck traffic to and from the property.

If you have any questions or concerns, please feel free to contact me at the contact information listed below. Of course, if you are considering any asphalt pavement work on your property, we would be happy to talk about that as well!

Thank you,

Pete Sipos

If APAO knows of any special concerns neighbors may have, we would be happy to incorporate any such concerns in our communications plan.

Marketing Plan

ABC provides the highest quality infrastructure materials reasonably possible and prides itself in understanding and being able to meet its customers’ diverse needs. ABC strives to have a culture of continuous improvement where no project is “take it or leave it.” ABC knows that success in any one year does not equate to future success, and that the company’s success depends on customers trusting us to deliver the highest quality infrastructure sustainably and at the best possible price.

Goals:

1. **High quality:** Building asphalt pavement infrastructure the right way results in the longest life product (road, highway, or parking lot), which is the most sustainable way to invest in infrastructure and the most value for ABC’s customers. ABC will deliver the highest quality materials and use best practices to place such materials every project.

2. **Understanding:** Everyone from the biggest corporation to the neighborhood grandmother uses transportation infrastructure. However, everyone has different needs and a different understanding of where infrastructure fits in their business or life. ABC will take the time necessary to understand how ABC's products and services can best fit our customers. That understanding will be communicated to every level within ABC – from the senior project manager to the newest field worker.
3. **Be THE Standard:** ABC wants to be the paving and infrastructure company against which other companies are judged.

Market Forecast: The transportation infrastructure in Oregon is aging. With decreased funding following the last recession, infrastructure did not get maintained appropriately, which has resulted in increased need. The longer a road, highway, or parking lot is left to degrade, the bigger the needed repair. Driving around Oregon shows that many of the city streets and critical highways have degraded to the point of needing significant repair. Even ODOT predicts that pavement conditions will decline over the next few years.

However, the Oregon population and economy is expected to grow over the next decade, and the people and businesses will need transportation infrastructure. Accordingly, the market trend is positive for asphalt pavement companies and we expect that companies who share community values and who have close connection to the communities in which they work have an opportunity to thrive.

Customers & Outreach: No job is too small or too big for ABC. Where some companies can communicate well with one type of customer, ABC can communicate with all types of customers. ABC's employees are trained to put themselves in our customers' shoes and treat all customers as friends (as opposed to treating them like business opportunities). Understanding each customer's individual needs and how ABC's work fits within their life or business is what will separate ABC from other companies.

ABC will reach potential customers through word-of-mouth, current customers, public bid notices, industry association participation, local community involvement, social media, and by having a welcoming website presence.

With respect to word-of-mouth and current customers, ABC's goal is to have every customer recommend ABC to a friend or business associate and for our customers' neighbors to see a first-class company with professional and polite employees. Although word-of-mouth can happen without effort, ABC should not hesitate after every project to let customers know that we would greatly appreciate it if they would pass on their impression of ABC to friends or work associates who may need infrastructure construction. The ABC Project Manager assigned to each project will be in charge of making such request and should do so promptly upon completion.

Public bid notices are typically published every month in trade publications such as the Daily Journal of Commerce and on the Department of Transportation's website. ABC's Marketing Manager is responsible for reading all relevant publications and highlighting potential projects for the estimating team.

Industry association and local community involvement is critical to ABC. Industry associations such as the Asphalt Pavement Association of Oregon ensure that crew members are trained and that companies are aware of possible future developments and market trends. Local community involvement is what connects ABC to the communities in which it works. ABC employees are encouraged to participate on community boards and committees, and to give back to their communities whenever reasonably

possible. Although balancing community and work time can be difficult, ABC recognizes the importance of involvement and will be as flexible as is reasonably possible with employee time for community involvement provided that employees understand that they are ABC representatives and bring back what they learn to the company.

Social media and websites have become mandatory for almost any business. In addition to providing a forum to share information about ABC, they also provide us with a means of communicating with employees. ABC's administrative staff are responsible for communicating with field staff to learn about successes and challenges, and will maintain an accurate and updated online presence for ABC.