



Cedar Valley Corp., LLC

2637 Wagner Road
P.O. Box 1740
Waterloo, Iowa 50704

April 6, 2015

Mr. Ryan Kipp, P.E.
C.J. Moyna & Sons, Inc.
24412 Hwy 13
Elkader, Iowa 52043

RE: NHSX-092-5(51)—3H-91
Warren County, Hwy 92

Ryan,

Please review the following information concerning the above referenced project related to Cedar Valley Corp., LLC (CVC) schedule, contractual calendar days, incentive / disincentive contract items and related damages to CVC.

One of the reasons we are able to provide your firm with such competitive quotes for PCC paving is that “we”, C.J. Moyna & Sons and Cedar Valley Corp., LLC have proven to ourselves, our industry and the Iowa Department of Transportation that when “we” create a project team there is nothing “we” cannot accomplish. Whether it be the Highway 60 corridor, Highway 20 corridor or Interstate 380, the Moyna / CVC team has through superior planning, work ethic and combined resources been able to meet, and in most cases, far exceed project specifications and schedule.

Prior to the October 2014 letting, project schedule requirements were questioned through BidEx, related to utility relocation impact. These questions were asked because achieving the required schedule was **completely dependent on having the “project” available for accelerated construction**. The answers to these questions have become contract documents. This issue has to be examined further. Our BidEx question was answered one way, and then followed by an addendum that “adjusted” most of the dates in the original utility bid attachment. These adjusted dates showed all work to be complete in 2014 with the exception of rural water that would be complete by the project start date. This information issued by addendum was negligent at best and fraudulently represented by numerous utilities. As per Iowa law (POINT 25) the IDOT is required to approve the schedule and work plans submitted by the utilities.

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As this project was bid in October 2014, CVC quoted the project according to the project schedule that C.J. Moyna & Sons, Inc. had developed pre-bid, a schedule that would accomplish the specified contract requirements. CVC then bid much of our 2015 schedule around the dates your firm had this project scheduled to be constructed. For a project of this size to be constructed in as short a duration as specified in the contract documents, any realistic schedule did not leave much to the imagination. Your schedule was not only "solid", it represented about the only hope this project had of being completed in the specified contract period.

We now understand, that due to errors in the contract documents associated with the utility bid attachment and this contract being represented as a POINT 25 project (the POINT 25 process as detailed in IOWA LAW does not appear to have been followed), the project schedule will not be possible and there is no reliable idea of when the project will be available for construction.

Our schedule is full for 2015. This misrepresentation of site conditions is going to force CVC to **attempt** to acquire work to fill this five week "hole" in our schedule with work being bid in the April, IDOT letting. I will let you know how that goes on April 21st. This schedule disaster will be with CVC for the entire 2015 construction season as we attempt to construct calendar day, incentive / disincentive projects all over Iowa and Nebraska. We will be forced to suffer the prospect of not finding work to replace this duration in our schedule combined with not being able to pave on two projects, with the same crew at the same time when this project is finally available.

As per standard specification 1109.16, A,1. consider this as notification of differing site conditions as the utility bid attachment and update by addendum concerning utility conflicts is not "inherent in the work provided for in the contract". Furthermore, 1107.15, H. states that "if the utility fails to complete the adjustment of its facilities and fails to submit or comply with its accepted work plan as referenced in the utility status report in the contract documents, and these failures result in a delay by the Department or Contractor, the utility may be liable for costs and damages incurred as a result of its failure to perform".

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Our sub-contract is with C. J. Moyna & Sons, Inc. Your contract is with the Iowa Department of Transportation, we will need to work with you to be compensated for damages. The IDOT will likely try to tell the construction team that "this is your problem to take up with the utilities". They are wrong and have been proven to be wrong. If Iowa code, as represented in the project plans, was not followed to the letter, the utilities fall back on the fact that POINT 25 was not followed. POINT 25, Iowa law, gives step by step direction that the IDOT and the utility are supposed to follow concerning work plans, approval of same and oversight by the IDOT. If this was not followed "our" issue is with the IDOT as they are the entity C.J. Moyna & Sons, Inc. has a contract with.

There is also no realistic way we, as contractors, can hold the utilities accountable for a process that was not carried out correctly by someone else.

This would not be complete without giving the notification as per 1109.11, B & C. We will need the Department to let us know how they would like all of us to document all of the damages that will be incurred due to this very unfortunate situation, please consider this letter the notice referenced in 1109.11.

This situation is very unfortunate for all of us, let me know how we may be of assistance.

Sincerely,
Cedar Valley Corp., LLC

A handwritten signature in blue ink, appearing to read "Craig Hughes", with a long horizontal flourish extending to the right.

Craig Hughes
V.P. Operations