

# Konica Business Machines U.S.A., Inc. v. Regents of University of California (1988)

[No. Doo6857. Court of Appeals of California, Fourth Appellate District, Division One. November 23, 1988.]

KONICA BUSINESS MACHINES U.S.A., INC., Plaintiff and Appellant, v. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA et al., Defendants and Respondents; COPY-LINE CORPORATION, Real Party in Interest and Respondent

(Opinion by Work, J., with Kremer, P. J., and Benke, J., concurring.)

#### COUNSEL

Cutler & Cutler and Paul R. Salerno for Plaintiff and Appellant.

James E. Holst, Gary Morrison, Susan Amateau and David A. Dorinson for Defendants and Respondents.

Shenas, Shaw & Spievak, Peter Shenas and Douglas S. Waggaman for Real Party in Interest and Respondent.

#### OPINION

#### WORK, J.

After Konica Business Machines U.S.A., Inc. (Konica), unsuccessfully bid for a contract to provide copier services to the University of California (University), it sought a writ of mandate (Code Civ. Proc., fn. 1 § 1085) challenging the award of the contract to Copy-Line Corporation. Appealing from the denial of its petition, Konica contends (1) Copy-Line's bid

did not comply with the requirements in the University's request for bids, and thus, the University should have either accepted Konica's conforming bid or rejected all bids and recommenced the bidding process; (2) alternatively, the request for bids was too ambiguous to result in fair competitive bidding; and (3) Copy-Line was given illegal preferential treatment over other bidders. We conclude Copy-Line's bid did not meet the specifications and gave it a prohibited competitive advantage, and the University's request for bids did not clearly notify bidders they could deviate from the specifications.

Ι

Konica had provided photocopy machines and service to the University for several years. When the University advertised a "Request for Quotation" (RFQ) for a new contract on a charge per copy basis, Konica [206 Cal. App. 3d 452] submitted a bid of 2.7 cents per copy for the first three years, and 1.6 cents per copy for the fourth and fifth years of the contract. Copy-Line, the successful bidder, submitted a bid of 1.5 cents per copy for the five-year period.

The University's RFQ specified the bid should include new or reconditioned copiers; all equipment bids must be at the same charge per copy regardless of model and features, and reconditioned equipment must carry new equipment warranty. Preceding a list of machine performance specifications was the following introductory paragraph: "Approximate volumes shown for each category are for the purpose of clarification of intent only. The University Copier Program will work with the vendor to establish machine features to respond to the local needs. It should be recognized that the machine accessories must be flexible to allow for specific requirements in some departments. In all cases, equipment offered with features additional to those required will be preferred if the cost per copy is equal."

Finally, following the list of performance specifications was a list of bid evaluation factors including (1) overall cost per copy, (2) compliance with machine performance specifications in RFQ, (3) plant visit to determine bidder's capability to provide maintenance and repair, (4) financial resources, (5) compatibility of equipment with University card control system and existing equipment, and (6) responses obtained from users list.

The RFQ requested categories of copiers (i.e., tabletop, small copiers, three types of intermediary copiers, and high volume copiers). Performance specifications for each category were listed. fn. 2 Copy-Line's bid deviated from the specifications in the following instances.

Category 5 requested intermediary copiers, and included the following specifications: "Produce at least 40 copies per minute," and "Zoom [206 Cal. App. 3d 453] magnification and reduction." For this category, Copy-Line bid two machines, (1) one which had the zoom magnification and reduction feature, but only made 35 copies per minute (Ricoh Model 5070), and (2) another which did not have the zoom magnification and reduction feature but which made 50 copies per minute (Ricoh Model 6085). Thus, neither machine fully met the bid specifications.

Category 6 requested high volume copiers, with the specifications stating, inter alia: "Produce at least 55 copies per minute"; "Zoom magnification and reduction"; and "Capable of Automatically copying onto both sides of paper." Copy-Line bid a machine which had enlargement and reduction features, but did not have the zoom feature; made only 50 copies per minute; and semi-automatically, rather than fully automatically, copied on both sides of the paper (Ricoh Model 6085). Regarding the semi-automatic feature, after the first side of the paper was copied, the operator had to turn the original document over to copy the second side of the paper, but did not need to manually reinsert the copy into the machine. fn. 3

In contrast, Konica's bid met, or surpassed, all the performance specifications listed in the RFQ.

II

[1] The test on appeal from a writ of mandate action under section 1085, is whether there is substantial evidence to support the agency's findings, and it is appellant's burden to show there is no substantial evidence. (Taylor Bus Service, Inc. v. San Diego Bd. of Education (1987) 195 Cal. App. 3d 1331, 1340-1341 [241 Cal. Rptr. 379].) Under Public Contract Code section 10507, the University must award contracts for goods, materials, and services requiring an annual expenditure of \$50,000 "to the lowest [206 Cal. App. 3d 454] responsible bidder meeting specifications, or else reject all bids." (Italics added.)

[2a] The issue here is whether there is substantial evidence to support a finding that Copy-Line's bid met the specifications within the meaning of Public Contract Code section 10507. [3] An opinion by the Attorney General summarizes relevant principles: "A basic rule of competitive bidding is that bids must conform to specifications, and that if a bid does not so conform, it may not be accepted. [Citations.] However, it is further well established that a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted if the variance cannot have affected the amount of the bid or given a bidder an advantage or benefit not allowed other bidders or, in other words, if the

3

variance is inconsequential. [Citations.] [¶] ... 'It is inconceivable that inconsequential departures will not appear. ... But if the unit in toto, proposed to be erected, generally conforms to the city's needs and will substantially perform the service which the city requires, non-conformity between plan and bid does not exist.'" (47 Ops.Cal.Atty.Gen. 129, 130-131 (1966), quoting Dougherty v. Folk (1941) 46 N.E.2d 307, 311, italics added.)

[2b] Dougherty v. Folk, supra, 46 N.E.2d 307 does not address the issue of whether the public entity's acceptance of a deviating bid unfairly disadvantaged an unsuccessful bidder whose bid conformed to the advertised specifications. Dougherty only holds the public entity has the power to accept a bid which substantially conforms to the advertised requirements. There was no evidence that any strictly conforming bid was rejected. This also is the limited factual scenario addressed by the Attorney General's opinion which quotes from Dougherty.

A deviating bid might be acceptable as substantially complying with the University's RFQ had no bids met the advertised requirements. This was not the situation here, and there is no hint in the RFQ that "substantial" compliance would be the standard when reviewing bids, some which meet the specifications fully and some which do not.

But, more significantly, the Attorney General concludes a deviation is substantial unless it is so inconsequential that it could not affect the amount of the bid. We presume Copy-Line equipment will substantially perform the service actually required by the University even though it does not meet the performance and production specified in every category. We then limit our analysis to whether the deviations gave Copy-Line an unfair competitive advantage by allowing it to make a lower bid than it would have been able to make without the deviations. (See L. Pucillo & Sons v. Mayor and [206 Cal. App. 3d 455] Council, etc. (1977) 375 A.2d 602, 605-606 [factors to determine whether deviation is minor irregularity or substantial departure include whether deviation could be vehicle for favoritism, affect amount of bid, influence potential bidders to refrain from bidding, or affect ability to make bid comparisons]; Harry Pepper & Assoc. v. City of Cape Coral (Fla.Dist.Ct.App. 1977) 352 So. 2d 1190, 1193.)

Konica argues the equipment requirements listed in the University's RFQ in categories 5 and 6 involved the highest volume of copies, and thus, were the most important in determining the price to bid per copy. Based on Konica's figures, the price of one machine bid in category 5 was \$7,625 (Ricoh Model 5070 -- zoom capability but only 35 copies/minute), and the price of the other machine bid in category 5 as well as in category 6, was \$11,525 (Ricoh Model 6085 -- 50 copies/minute but no zoom capability); whereas the price of the machine which should have been bid in categories 5 and 6 to meet the

express bid requirements was \$14,075 (Ricoh Model 7060 -- zoom capability and 62 copies/minute).

The record does not indicate the formula used by Copy-Line to determine price per copy. An examination of Copy-Line's bid reveals that (as required by the RFQ) it set the price per copy at 1.5 cents for all the models, even though the models covered a wide price range; i.e., approximately \$1,700, \$2,100, \$3,300, \$3,500, \$4,100, \$4,700, \$5,100, \$5,700, \$7,100, \$8,200, \$10,500, and \$14,200. Nevertheless, logically the price per copy bid by Copy-Line must increase if Copy-Line were to factor in its bid the more expensive copiers required to meet its advertised specifications. Although this record is inadequate to state with mathematical precision the price advantage generated by Copy-Line's providing the less expensive, less capable machines, any deviation provides a competitive advantage not available to a bidder who strictly held to the University's advertised specifications. fn. 4

Neither Copy-Line nor the University directly dispute the fact that strict adherence to the specifications in categories 5 and 6 would have resulted in an increased bid. Their sole claims are that the Copy-Line equipment is acceptable to the University in spite of its lack of capacity and specialized features, and that Konica has not shown it would have made a lower bid if it had deviated from the specifications. Regardless of what Konica might [206 Cal. App. 3d 456] have bid had it also deviated, the record is clear that Copy-Line, by deviating from the specifications, obtained a competitive advantage by not meeting the minimum capabilities specified.

Further, as we explain, we conclude the RFQ can only be interpreted as setting minimum performance specifications for the copier, with which bidders were required to strictly comply. [4] The request for public bids "must be sufficiently detailed, definite and precise so as to provide a basis for full and fair competitive bidding upon a common standard and must be free of any restrictions tending to stifle competition. [Citations]" (Baldwin-Lima-Hamilton Corp. v. Superior Court (1962) 208 Cal. App. 2d 803, 821 [25 Cal. Rptr. 798].)

In Baldwin-Lima-Hamilton Corp. v. Superior Court, supra, 208 Cal.App.2d at pages 807-808, 817-818, the specification required the materials be manufactured in the United States, and the contract was nevertheless awarded to a bidder who included parts manufactured outside the United States. The court held a writ of mandate prohibiting the award of the contract could be granted on the basis that the request for bids was not sufficiently definite to provide for fair competitive bidding. That is, subsequent to issuing the request for bids, it was determined that the "place of manufacture" provision was unenforceable since it was in conflict with certain federal treaties, but the bidders could not be reasonably expected to have knowledge of the treaties to infer that despite the clear

language of the provision they could submit acceptable bids including foreign materials. The court noted it was reasonable to assume the language of the bid would deter persons from submitting bids covering foreign goods, thus reducing the number of bidders and defeating the objectives of competitive bidding. (Id. at pp. 821-823.)

[5] The purpose of requiring governmental entities to open the contracts process to public bidding is to eliminate favoritism, fraud and corruption; avoid misuse of public funds; and stimulate advantageous market place competition. (See legis. intent declared in Pub. Contract Code, § 10300; Miller v. McKinnon (1942) 20 Cal. 2d 83, 88 [124 P.2d 34, 140 A.L.R. 570]; Terminal Const. Corp. v. Atlantic Cty. Sewer Auth. (1975) 341 A.2d 327, 330.) Because of the potential for abuse arising from deviations from strict adherence to standards which promote these public benefits, the letting of public contracts universally receives close judicial scrutiny and contracts awarded without strict compliance with bidding requirements will be set aside. This preventative approach is applied even where it is certain there was in fact no corruption or adverse effect upon the bidding process, and the deviations would save the entity money. (Ibid.; L. Pucillo & Sons v. [206 Cal. App. 3d 457] Mayor and Council, etc., supra, 375 A.2d at p. 605; Harry Pepper & Assoc. v. City of Cape Coral, supra, 352 So.2d at pp. 1192-1193.) The importance of maintaining integrity in government and the ease with which policy goals underlying the requirement for open competitive bidding may be surreptitiously undercut, mandate strict compliance with bidding requirements. (Gil-Bern Construction Corp. v. City of Brockton (1968) 233 N.E.2d 197, 199.)

[2c] Here, the RFQ does not suggest the bidder need only "substantially" comply with the specifications. To permit the University to allow deviations from precise specifications in its public call for bids leaves bidders in the unfair position of having to guess what will satisfy the University's needs.

The University argues that Konica should have been alerted that it retained the option to award its contract to a bidder whose machines could not perform to the advertised specifications. Following several pages of specific, detailed production and equipment performance requirements (i.e. "produce at least 55 copies per minute," italics added), the RFQ listed general "bid evaluation factors." These included overall cost per copy, equipment performance compliance with specifications, financial resources of supplier, and other items not relevant to our inquiry. Based on these general bid evaluation factors, it is University's position that any responsible bidder should have realized that its bid meeting all specifications was subject to being rejected in favor of one which was priced on



equipment which did not meet the express machine performance standards so strongly emphasized in its "Machine Performance Specifications" section.

We do not believe the University's construction of its stated bid evaluation factors is logical, however, and we are certain it does not clearly provide potential bidders with notice that a fully complying bid may be rejected in favor of one which is not. Public Contract Code section 10507 requires compliance with "specifications." The RFQ listed performance requirements in a section entitled "specifications." Bidders were entitled to expect bids which did not meet these specifications would be rejected in favor of those which did or the contract would be rebid.

In summary, we conclude the contract must be set aside since the deviations from the specifications gave Copy-Line a competitive advantage; and the RFQ did not clearly notify bidders they could bid on machines not meeting the listed specifications. [206 Cal. App. 3d 458]

III

Copy-Line forcibly argues that it will be economically devastated should this contract be voided because it has incurred substantial expense in purchasing the copiers which it has provided to the University. Even though the copiers will be returned, Copy-Line argues it is not at all clear it can recoup its investment and it may also incur storage expenses. These concerns are only potential at the moment because it is uncertain what specifications will be designated in the new RFQ and who will be the successful bidder. [6] Further, although failure to publicly bid contracts when required by statute renders them void so that the public entity may not reimburse a contracting party for service or materials the agency has been provided (see Miller v. McKinnon, supra, 20 Cal.2d at pp. 89-92), here the bidding process did take place. We express no view as to the reimbursement rights of Copy-Line should it not obtain the contract on rebid. We are satisfied, however, there is no legal impediment to requiring Copy-Line to service the University's needs on a per diem basis at the present contract rate until the new contract is bid, and requiring the University to pay on that basis. (See L. Pucillo & Sons v. Mayor and Council, etc., supra, 375 A.2d at pp. 602, 607.)

The judgment is reversed. The superior court is directed to issue a writ mandating the University to publish a new RFQ and call for rebids within 30 days of our remittitur. Pending acceptance of the successful rebid, Copy-Line shall continue to provide services conforming to the terms of the now vacated contract and the University shall compensate Copy-Line on a per diem basis for services received.

Kremer, P. J., and Benke, J., concurred.

FN 1. All statutory references are to the Code of Civil Procedure unless otherwise specified.

FN 2. To illustrate, a partial summary of the specifications is as follows. (1) Tabletop (under 2,500 copies/month): Produce at least 10 copies/minute; capable of copying onto both sides of paper manually. (2) Small copiers (2,500-5,000 copies/month): At least 15 copies/minute; zoom magnification and reduction; manual copying onto both sides of the paper. (3) Intermediary copiers (5,000-10,000 copies/month): At least 15 copies/minute; zoom magnification and reduction; manual copying onto both sides of paper; sorting capability; automatic document feeder. (4) Intermediary copiers (10,000-15,000 copies/month): At least 25 copies/minute; zoom magnification and reduction; capable of automatically copying onto both sides of paper; sorting capability; automatic document feeder; large capacity tray. (5) Intermediary copiers (15,000-30,000 copies/month): At least 40 copies/minute; zoom magnification and reduction; automatically copying onto both sides of paper; sorting capacity; automatic document feeder; large capacity tray. (6) High volume copiers (300,000-750,000 copies/month): At least 55 copies/minute; zoom magnification and reduction; automatically copying onto both sides of paper; sorting capability; automatic document feeder; large capacity tray.

FN 3. In addition to the deviations in categories 5 and 6 described infra, Konica asserted a deviation in category 2, claiming Copy-Line's models did not have the required zoom magnification feature. To the contrary, Copy-Line bid three machines in category 2, one of which did have the zoom feature (Ricoh Model 4085). Konica does not pursue this point in its reply brief. We do note the declaration of the University's buyer indicates Copy-Line substantially conformed with the specifications in category 2, perhaps referring to the two other machines bid in that category without the zoom feature. Resolving all inferences in favor of the judgment, we assume the bid in category 2 did not deviate from the specifications.

Konica also asserted in its opening brief the machines bid by Copy-Line in categories 4 and 5 also only had semi-automatic duplexing. Konica had only clearly made this objection in the court below regarding category 6, and the record does not indicate whether the model bid in categories 4 and 5 (Ricoh Model 5070) had only semi-automatic duplexing. In any event, our analysis as to compliance with the RFQ is the same regardless of whether Copy-Line bid a machine with only the semi-automatic duplexing feature in categories 4 and 5 as well as 6.

FN 4. Based on Copy-Line's figures, the cost of the models bid by Copy-Line in categories 5 and 6 is:

- (5) Models 5070 and 6085. (Highest cost Model 6085) \$10,583 x 49 copiers = \$518,567.
- (6) Model 6085. Cost  $$10,583 \times 6 \text{ copiers} = $63,498.$

Assuming Copy-Line had bid the strictly conforming Model 7060 which it priced at \$14,254 instead of Model 6085 priced at \$10,583, the price of the copiers bid in categories 5 and 6 would have been \$3,671 higher, which for 55 copiers would total \$201,905.

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June 30, 2024

#### ADDENDUM NO. 1

to

PW 24-08: FY 24-25 PAVEMENT REHABILITATION PROJECT

#### **ATTENTION BIDDERS:**

The following additions, modifications, and clarifications to the specifications shall be included in, and become a part of, any contract which may be executed for the above project in the City of El Segundo:

- 1. The bid due date and time is still Tuesday, July 2, at 11:00 am.
- 2. Please replace the Bid Schedule pages and use the attached revised Bid Schedule pages I-C-3 to I-C-6 when submitting your bid.
- 3. Please replace pages V-A-25 and V-A-27 with the attached revised pages and refer to them when preparing your bid.
- 4. Please see the attached supplemental pages to this addendum, to be referred to when preparing your bid.
- 5. Plan holders have requested the Plan Holder's List and the Pre-bid Meeting Attendees list. Please see the additional attachments.

As evidence that the BIDDER has read this Addendum, the BIDDER must acknowledge same in the space provided below and submit this Addendum with the Proposal. Failure to provide such acknowledgement shall render the proposal as non-responsive and subject to rejection.

| Signature:          |                                 | Date: | _ |
|---------------------|---------------------------------|-------|---|
| Print Company Name: | DASH Construction Company, Inc. |       |   |



#### BID SCHEDULE (Revised 06/26/24)

### FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

| AT             |       |
|----------------|-------|
| Company Name:  | <br>_ |
| Company 1 (and |       |

#### **Base Bid Items**

| ITEM<br>NO. | DESCRIPTION   | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|---|----------|------|--------------------|--------------------|
| 1           | Mobilization/demobilization including traffic control (maximum 5% of total bid)                                 | 1        | LS   |                    |                    |
| 2           | 2-inch-deep asphalt repairs   | 15,000   | SF   |                    |                    |
| 3           | Full depth 6" asphalt concrete over 6" crushed aggregate base asphalt repairs                                   | 2000     | SF   |                    |                    |
| 4           | Slurry seal Type II application   | 635,284  | SF   |                    |                    |
| 5           | On slurry seal streets, mechanically remove and restore traffic striping, markings, and pavement markers        | 1        | LS   |                    |                    |
| 6           | Grind asphalt 2"  | 404,287  | SF   |                    |                    |
| 7           | Overlay 2"  | 404,287  | SF   |                    |                    |
| 8           | Adjust sewer and storm drain manholes to final grade  | 37       | EA   |                    |                    |
| 9           | Procure water valve cover risers  | 75       | EA   |                    |                    |
| 10          | Adjust water valve covers to final grade  | 75       | EA   |                    |                    |
| 11          | On overlay streets, remove pavement markers and restore traffic striping, markings, and pavement markers        | 1        | LS   |                    |                    |
| 12          | Additional cost to upgrade yellow two-stripe-style crosswalks to become ladder-style crosswalks (thermoplastic) | 1        | LS   |                    |                    |

| Subtotal, | Base | Bid | Items |  |
|-----------|------|-----|-------|--|
|           |      |     |       |  |

Alternative Bid Items 13 and 14 (Determined by the City on an as-needed basis)

| ITEM<br>NO. | DESCRIPTION   | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|---|----------|------|--------------------|--------------------|
| 13          | Construct drainage improvements in Alley B-159 per Appendix F plans and construction schedule   | 1        | LS   |                    |                    |
| 14          | Construct Palm/Loma Vista<br>6" AC over 6" CAB full-<br>depth pavement<br>reconstruction, slurry seal<br>Type II, and striping per<br>Appendix D layout | 1        | LS   |                    |                    |

Subtotal, Alternative Bid Items 13 and 14
Include as part of Total Bid

Alternative Bid Items A15-A17 (Determined by the City on an as-needed basis. If Items 15-17 are awarded, either A15-A17 or B15-B17 will be chosen, not both sets.)

Alley Rehabilitation 4" asphalt concrete (AC) over 4" crushed aggregate base (CAB) one alley at a time

| (5-day closure until | completion, | any open sub | grade and | base section | plated ov | ernight) |
|----------------------|-------------|--------------|-----------|--------------|-----------|----------|
|                      |             |              |           |              |           |          |

| ITEM<br>NO. | DESCRIPTION  | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|--|----------|------|--------------------|--------------------|
| A15         | 4" AC over 4" CAB pavement reconstruction in Alley B-159 bounded by Sheldon, Franklin, Penn, and El Segundo Blvd.  | 1        | LS   |                    |                    |
| A16         | 4" AC over 4" CAB pavement reconstruction in Alley B-161 bounded by Penn, Franklin, Sierra, and El Segundo Blvd.   | 1        | LS   |                    |                    |
| A17         | 4" AC over 4" CAB pavement reconstruction in Alley B-151 bounded by Sierra, Franklin, Lomita, and El Segundo Blvd. | 1        | LS   |                    |                    |

| Subtotal, Alternative Bid Items A15 through A17 |  |
|---|--|
| Include as part of Total Bid                    |  |

Alternative Bid Items B15-B17 (Determined by the City on an as-needed basis. If Items 15-17 are awarded, either A15-A17 or B15-B17 will be chosen, not both sets.)

Alley Rehabilitation 4" asphalt concrete over 4" crushed aggregate base one alley at a time such that an entire alley reconstruction is completed in one day to minimize the impact to businesses

| ITEM<br>NO. | DESCRIPTION  | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|--|----------|------|--------------------|--------------------|
| B15         | 4" AC over 4" CAB one-<br>day pavement<br>reconstruction in Alley B-<br>159 bounded by Sheldon,<br>Franklin, Penn, and El<br>Segundo Blvd. | 1        | LS   |                    |                    |
| B16         | 4" AC over 4" CAB one-day<br>pavement reconstruction in<br>Alley B-161 bounded by<br>Penn, Franklin, Sierra, and El<br>Segundo Blvd.       | 1        | LS   |                    |                    |
| B17         | 4" AC over 4" CAB one-day pavement reconstruction in Alley B-151 bounded by Sierra, Franklin, Lomita, and El Segundo Blvd.                 | 1        | LS   |                    |                    |

| Subtotal, Alternative Bid Items B15 through B17 |  |
|---|--|
| Include as part of Total Bid                    |  |

Please note, if Alternative Items 15-17 are awarded, either A15-A17 or B15-B17 will be awarded, not both.

| TOTAL BID FOR ITEMS 1-B17 IN FIGURES = |
|--|
| \$                                     |
| TOTAL BID WRITTEN IN WORDS:            |
|  |

All work shall be per these specifications and attachments. Prevailing wage rates apply. The City of El Segundo reserves the right to reject any or all bids, to waive any irregularity, and to take all bids under advisement for a period of **ninety (90) calendar days.** 



Payment for CONSTRUCT WATER MAIN DROP UNDER NEW CATCH BASIN shall be paid at the lump sum price shown in the Bid Schedule. Such payment shall include full compensation for all labor, materials, tools, equipment, and incidentals required for this work.

## 6-0. ALTERNATIVE BID ITEM 14: CONSTRUCT PALM/LOMA VISTA 6" AC OVER 6" CAB PAVEMENT RECONSTRUCTION, SLURRY SEAL TYPE II, AND STRIPING

See Appendix D. Alternative Bid Item 14 seeks to reconstruct asphalt that has suffered water damage from a recent water main break in the W. Palm Ave./Loma Vista St. area. The contractor shall remove and reconstruct the asphalt in the areas shown in Appendix D. Should the Contractor, after excavation, notice areas adjacent to those shown also needing reconstruction, the Contractor shall inform the City Inspector prior to reconstructing the pavement in the immediate area.

After reconstruction is complete, Type II slurry seal and replacement striping shall be installed as per these specifications. Advance notification of affected residents is required for all aspects of this construction.

#### Payment

Payment for CONSTRUCT PALM/LOMA VISTA 6" AC OVER 6" CAB PAVEMENT RECONSTRUCTION, SLURRY SEAL TYPE II, AND STRIPING shall be paid at the lump sum price shown in the Bid Schedule. Such payment shall include full compensation for all labor, materials, tools, equipment, and incidentals required for this work.

# 7-0. ALTERNATIVE BID ITEMS A15-A17: Alley Rehabilitation 4" asphalt concrete (AC) over 4" crushed aggregate base (CAB) one alley at a time (5-day closure until completion, any open subgrade and base section plated overnight)

If Alternative Bid Item 13 is awarded, the item shall be constructed prior to construction of Alternative Bid Item A15.

Asphalt reconstruction in each of these alleys, if items A15, A16, or A17 are awarded, shall begin and be completed within a five-day period. Open areas of subgrade or base shall be plated overnight. Lighted barricades shall be used overnight to close alley sections not yet ready for public use.

Prior to reconstruction work, the Contractor shall

- 1. Submit resident/business notification to the City for review and approval.
- 2. Submit a traffic control plan prepared by a licensed traffic engineer for each alley construction, for review and approval.
- 3. Inform Dig Alert to have underground utility locations marked.
- 4. Notify affected residents and businesses adjacent to and within one block of the

alley of the work to occur, at least two weeks in advance with written notification.

5. Post No Parking signs where needed, at least 72 hours in advance as per these specifications.

6. Mechanically remove any tree or vegetation roots, if applicable, under the asphalt area down to two feet below grade.

7. Protect in place any underground utility mains, conduits, or service laterals encountered.

- 8. Ramp the edges of any steel plates used with asphalt prior to leaving the construction area.
- 9. Backfill and compact the area to 95%.
- 10. Pave using PG 64-10 hot mix asphalt and tack coat.
- 11. Adjust any sewer manholes, storm drain manholes, and water utility covers in the alley to grade after paving is complete. Notify affected businesses in advance of the adjustment schedules.

12. Ensure that the new drainage improvement completed for Alternative Bid Item 13 has not been detrimentally affected

#### Payment

Payment for BID ITEMS A15-A17: ALLEY REHABILITATION 4" ASPHALT CONCRETE (AC) OVER 4" CRUSHED AGGREGATE BASE (CAB) ONE ALLEY AT A TIME (5-DAY CLOSURE UNTIL COMPLETION, ANY OPEN SUBGRADE AND BASE SECTION PLATED OVERNIGHT) shall be paid at the lump sum price shown in the Bid Schedule. Such payment shall include full compensation for all labor, materials, tools, equipment, and incidentals required for this work. Payment for Alternative A15 shall NOT include pavement reconstruction cost already covered by Alternative Bid Item 13, if that item is awarded.

### 8-0. ALTERNATIVE BID ITEMS B15-B17: Alley Rehabilitation 4" asphalt concrete over 4" crushed aggregate base such that an entire alley reconstruction is completed in one day to minimize the impact to business access

If Alternative Bid Item 13 is awarded, the item shall be constructed prior to construction of Alternative Bid Item B15.

Asphalt reconstruction in each of these alleys, if items B15, B16, or B17 are awarded, shall begin and be completed in one workday.

Prior to reconstruction work, the Contractor shall

- 1. Submit resident/business notification to the City for review and approval.
- 2. Submit a traffic control plan prepared by a licensed traffic engineer for each alley construction, for review and approval.
- 3. Inform Dig Alert to have underground utility locations marked.
- 4. Notify affected residents and businesses adjacent to and within one block of the alley of the work to occur, at least two weeks in advance with written notification.
- 5. Post No Parking signs where needed, at least 72 hours in advance as per these



specifications.

- 6. Mechanically remove any tree or vegetation roots, if applicable, under the asphalt area down to two feet below grade.
- 7. Protect in place any underground utility mains, conduits, or service laterals encountered.
- 8. Backfill and compact the area to 95%.
- 9. Pave using PG 64-10 hot mix asphalt and tack coat.
- 10. Adjust any sewer manholes, storm drain manholes, and water utility covers in the alley to grade after paving is complete. Notify affected businesses in advance of the adjustment schedules.
- 11. Ensure that the new drainage improvement completed for Alternative Bid Item 13 has not been detrimentally affected

#### Payment

Payment for BID ITEMS B15-B17: ALLEY REHABILITATION 4" ASPHALT CONCRETE OVER 4" CRUSHED AGGREGATE BASE SUCH THAT AN ENTIRE ALLEY RECONSTRUCTION IS COMPLETED IN ONE DAY TO MINIMIZE THE IMPACT TO BUSINESS ACCESS shall be paid at the lump sum price shown in the Bid Schedule. Such payment shall include full compensation for all labor, materials, tools, equipment, and incidentals required for this work. Payment for Alternative B15 shall NOT include pavement reconstruction cost already covered by Alternative Bid Item 13, if that item is awarded

- END OF SECTION -

#### CITY OF EL SEGUNDO PW 24-08: FY 24-25 PAVEMENT REHABILITATION PROJECT ADDENDUM NO. 1 SUPPLEMENT

DATE:

June 30, 2024

TO:

All Prospective Bidders

The following clarifying information and answers to bid questions have been provided below. The information provided in this Addendum has been made available to all prospective bidders and shall be considered as incorporated into the specifications for the above-referenced project. All other portions of Contract Documents and previous Addenda not specifically mentioned in this Addendum remain in force.

#### A. CHANGES TO THE BID OPENING PROCEDURE:

City Hall is located at 350 Main Street, El Segundo, CA 90245. Please follow the procedure below for the Tuesday, July 2, 11:00 am bid opening:

- 1. Instead of the City Clerk's Office, the bid opening will be held in the foyer in front of the Council Chambers on the Main Street (west) side of the City Hall. Having submitted their bid, bidders will wait outside the double doors in the quad until the bid opening. The doors will be opened 15 minutes before the bid opening. Bids will be accepted before 11:00 am only if time allows.
- 2. Bidders are welcome to submit their bid by the US postal service or other carrier service. However, the bidder is responsible for verifying their bid has been received in the City Clerk's Office prior to the bid opening. Their telephone number is 310-524-2307. Bidders can also submit bids in person. Please speak with the receptionist at the City Hall East Lobby entrance if you arrive early to submit your bid.

Three different projects have bids due on July 2 at 11:00 am. Plan to arrive early enough so your bid may be received, stamped, and logged well before 11:00 am.

- 3. Bid packages will be opened in the foyer. Bid amounts will be read aloud and recorded on the log sheet and the log sheet will be signed by representatives from the City Clerk's Office and the Public Works Department. The City Clerk's Office will enter additional information on the bid log sheet as needed, after the bid opening.
- 4. The Public Works Department will email the fully-signed and completed bid log sheet to all planholders within a few hours after the bid opening.

#### **B. PRE-BID QUESTIONS AND ANSWERS**

Question 1:

Could you please clarify the basis of award for this job? Is it bid items 1-12, 1-14

or 1 - A17?

Answer:

DETERMINATION OF THE LOWEST BID WILL BE BASED UPON THE

TOTAL OF ALL ITEMS, 1 THROUGH B17.

**Ouestion 2:** 

What is the Engineer's estimate?

Answer:

\$3,162,819

# CITY OF EL SEGUNDO PUBLIC WORKS DEPARTMENT ENGINEERING DIVISION

#### 350 MAIN STREET, EL SEGUNDO, CA 90245-3813

https://www.elsegundo.org/government/departments/public-works/request-public-works-bid

#### PLAN HOLDER'S LIST

Project:

FY 24/25 Pavement Rehabilitation Project

Project No.

PW 24-08

Pre-Bid Job Walk

June 25, 2024, at 9:00 am (Mandatory)

Bid Opening Date: July 2, 2024, at 11:00 am

|   | NAME/ADDRESS  | TEL/EMAIL   | ADDENDUM(S)<br>SENT     |
|---|---|---|-------------------------|
| A | ConstructConnect Address 3825 Edwards Rd. Ste. 800, Cincinnati OH 45209 Morgan Stinson  | Ph: (800) 364-2059 ext. 42059 E: content@constructconnect.com File Sent?: No Yes, Date: 6/20/24   | Addendum 1 –<br>6/30/24 |
| A | KCBEX<br>4130 Ardmore Ave.<br>Suite 100<br>Bakersfield, CA 93309                        | Ph: (661) 324-4921 E: kcbex@kcbex.com File Sent?: No Yes, Date: 6/20/24   | Addendum 1 –<br>6/30/24 |
| A | Construct Connect<br>3825 Edwards Rd Suite 800<br>Cincinnati, Ohio 45236<br>Rock Bebero | Ph: (513) 351-7319 E: rock.bebero@constructconnect.com File Sent?: No Yes, Date: 6/24/24  | Addendum 1 –<br>6/30/24 |
| A | Construct Connect<br>3825 Edwards Rd Suite 800<br>Cincinnati, Ohio 45236<br>Rock Bebero | Ph: (513) 351-7319 E: rock.bebero@constructconnect.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/25/24 at City Engineer's request | Addendum 1 – 6/30/24    |
| A |   | Ph: E: File Sent?: No Yes, Date:  |                         |
| A |   | Ph: E: File Sent?: ☐ No ☒ Yes, Date:  |                         |
| A |   | Ph: E: File Sent?: No Yes, Date:  | 19                      |

|   | NAME/ADDRESS  | TEL/EMAIL   | ADDENDUM(S)<br>SENT  |
|---|---|---|----------------------|
| 1 | All American Asphalt 400 E Sixth St Corona, Ca 92879 Ed Carlson   | Ph: (951) 736-7600 E: publicworks@allamericanasphalt.com File Sent?: No Yes, Date: 6/17/24                                  | Addendum 1 – 6/30/24 |
| 2 | Excel Paving Company 2230 Lemon Ave Long Beach, California 90806 Crissa Phillips                        | Ph: (562) 599-5841 E: Estimating@excelpaving.net File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/17/24                    | Addendum 1 — 6/30/24 |
| 3 | Doug Martin Contracting Co.,<br>Inc.<br>220 Foundation Ave<br>La Habra, California 90631<br>Doug Martin | Ph: (714) 441-0513 E: dixie@dougmartincontracting.com File Sent?: No Yes, Date: 6/18/24                                     | Addendum 1 – 6/30/24 |
| 4 | American Asphalt South, Inc.<br>2990 Myers Street<br>Riverside, CA 92503<br>Lyle Stone                  | Ph: (909) 427-8276 E: lyles@americanasphaltsouth.com File Sent?: \[ \sum \text{No} \sum \text{Yes, Date: 6/18/24} \]        | Addendum 1 – 6/30/24 |
| 5 | Hardy & Harper, Inc.<br>32 Rancho Circle<br>Lake Forest, CA 92630<br>Morgan Churnock                    | Ph: (714) 444-1851 ext. 121 E: mchurnock@hardyandharper.com File Sent?: \( \sum \text{No} \sum \text{Yes, Date: 6/18/24} \) | Addendum 1 – 6/30/24 |
| 6 | Toro Enterprises, Inc.<br>2101 E Ventura Blvd<br>Oxnard, CA 93036<br>Tyson Rising                       | Ph: (805) 483-4515 E: estimating@toroenterprises.com File Sent?: No Yes, Date: 6/18/24                                      | Addendum 1 — 6/30/24 |
| 7 | Dash Construction Company, Inc. 6300 Canoga Ave. Suite 530 Woodland Hills, CA 91367 Jailene Lara        | Ph: (818) 795-4811 E: Info@dashconstructioncompany.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/18/24              | Addendum 1 – 6/30/24 |
| 8 | ONYX PAVING COMPANY<br>2890 E LA CRESTA AVE<br>ANAHEIM, CA 92806<br>COREY KIRSCHNER                     | Ph: (714) 632-6699 E: bids@onyxpaving.net File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/19/24                           | Addendum 1 — 6/30/24 |

|    | NAME/ADDRESS   | TEL/EMAIL   | ADDENDUM(S)<br>SENT     |
|----|--|---|-------------------------|
| 9  | Pavement Recycling Systems,<br>Inc.<br>10240 San Sevaine Way<br>Jurupa Valley, CA 91752<br>Trisha Vander Sluis | Ph: (951) 682-1091 E: estimating1@pavementrecycling.com File Sent?: No Yes, Date: 6/19/24                       | Addendum 1 – 6/30/24    |
| 10 | Global Road Sealing, Inc.<br>10641 Sycamore Ave.<br>Stanton, CA 90680<br>Tri La                                | Ph: (714) 893-0845 E: tri@globalroadsealing.com File Sent?: \( \sum \text{No} \sum \text{Yes, Date: 6/20/24} \) | Addendum 1<br>6/30/24   |
| 11 | WE R BUILDERS, INC.<br>3746 FOOTHILL BLVD<br>304<br>GLENDALE, CA 91214<br>NEZAR ALSMADI                        | Ph: (714) 423-3844<br>E:<br>ESTIMATES@WRBCONSTRUCTION.COM<br>File Sent?: ☐ No ☐ Yes, Date: 6/24/24              | Addendum 1 – 6/30/24    |
| 12 | California Professional Engineering 16902 San Jose Ave La Puente, California (CA) 91748 Evan Mejia             | Ph: (626) 810-1338 E: estimating@cpengineeringinc.com File Sent?: No Yes, Date: 6/24/24                         | Addendum 1 —<br>6/30/24 |
| 13 | Western Emulsions 382 Live Oak Ave Irwindale, CA 91706 Ahmad Ibrahim   | Ph: (657) 323-3061 E: aibrahim@westernemulsions.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/24/24     | Addendum 1 – 6/30/24    |
| 14 | Chrisp Company<br>2280 South Lilac Ave.<br>Bloomington, CA 92316<br>Panda Oesterblad                           | Ph: (909) 746-0356 E: poesterblad@chrispco.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/24/24          | Addendum 1 – 6/30/24    |
| 15 | Superior Pavement Markings<br>Inc<br>5312 Cypress Street<br>Cypress, CA 90630<br>Darren Veltz                  | Ph: (714) 995-9100 E: Darren@Superiorpavementmarkings.com File Sent?: No Yes, Date:6/24/24                      | Addendum 1 – 6/30/24    |
| 16 | Sequel Contractors, Inc.<br>13546 Imperial Highway<br>Santa Fe Springs, CA 90670<br>Corey Pack                 | Ph: (562) 802-7227 E: corey@sequelcontractors.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/25/24       | Addendum 1 – 6/30/24    |

|    | NAME/ADDRESS  | TEL/EMAIL   | ADDENDUM(S)<br>SENT  |
|----|---|---|----------------------|
| 17 | ABC Resources, Inc.<br>1527 W. State St.<br>Ontario, CA 91762<br>Shawn Weber                            | Ph: (909) 988-0390 E: estimating@abcresources.biz File Sent?: No Yes, Date: 6/25/24                       | Addendum 1 – 6/30/24 |
| 18 | Pavement Coatings Co<br>1240 San Sevaine Way<br>Jurupa Valley, VA 91752<br>Edgar Aguirre                | Ph: (714) 826-3011 E: jvbids@pavementcoatings.com File Sent?: No Yes, Date: 6/26/24                       | Addendum 1 – 6/30/24 |
| 19 | V&E Treeservice<br>2425 N Batavia Street<br>Orange, CA 92865<br>Dale Gee                                | Ph: (714) 293-7520 E: dale@vetreeservice.com File Sent?: No Yes, Date: 6/26/24                            | Addendum 1 – 6/30/24 |
| 20 | Doug Martin Contracting<br>Company, Inc<br>220 Foundation Ave.<br>La Habra,, CA 90631<br>Dixie Martin   | Ph: (714) 441-0513 E: dixie@dougmartincontracting.com File Sent?: No Yes, Date: 6/27/24                   | Addendum 1 — 6/30/24 |
| 21 | LCR Earthwork & Engineering,<br>Corp.<br>4791 Mt Rainier St<br>Jurupa Valley, CA 92509<br>Jorge Mendoza | Ph: (951) 934-3231 E: lcr@lcrearthworkengineering.com File Sent?: No Yes, Date: 6/27/24                   | Addendum 1 — 6/30/24 |
| 22 | WGJ ENTERPRISES INC. DBA PCI 975 W 1ST STREET Azusa, CA 91702 Kenneth Ream                              | Ph: (562) 218-0504 E: estimating@lineuppci.com File Sent?: No Yes, Date: 6/27/24                          | Addendum 1 — 6/30/24 |
| 23 | Cat Tracking Inc<br>17 Commercial Ave<br>Riverside, CA 92507<br>Alex Ferro                              | Ph: (951) 682-1494 E: alex@cattrackinginc.com File Sent?: No Yes, Date: 6/27/24                           | Addendum 1 — 6/30/24 |
| 24 | Interstate Striping & Signs<br>1200 Lawrence Dr, Suite 340<br>Newbury Park, CA 91320<br>Trevor Madden   | Ph: (805) 558-5384 E: Trevor@interstatestripe.com File Sent?: \( \sum \) No \( \sum \) Yes, Date: 6/30/24 | Addendum 1 — 6/30/24 |

#### CITY OF EL SEGUNDO PUBLIC WORKS DEPARTMENT ENGINEERING DIVISION

### FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

June 25, 2024. 9:00 AM

Location: Civic Center Plaza

PLEASE PRINT LEGIBLY:

|    | NAME               | COMPANY                 | CONTACT INFORMATION   |
|----|--------------------|-------------------------|---|
| 1  | Floriza Rivera     | City of El Segundo      | Telephone: 310-524-2361<br>Email: frivera@elsegundo.org               |
| 2  | Victor Lopez       | City of El Segundo      | Telephone: 310-524-2715<br>Email: vlopez@elsegundo.org                |
| 3  | Johnathan Jimenez  | City of El Segundo      | Telephone:<br>Email: jjimenez@elsegundo.org                           |
| 4  | Garrett Quaintance | City of El Segundo      | Telephone:<br>Email: jquaintance@elsegundo.org                        |
| 5  | Jesse Diaz         | Toro Enterprises, Inc.  | Telephone: Ges-483-4515  Email: Estimating PicroEnterprises.com       |
| 6  | JEFF MARTINEZ      | ANTER                   | Telephone: (909) 446. 5133 Email:                                     |
| 7  | Arevalu, Luis      | Excel Paving-           | Telephone: (562) 599-5841  Email: @ Estimating@  excelpaving.net.     |
| 8  | Oscar Martinez     | All American<br>Asphalt | Email: publicavorks @ all american asphaltic                          |
| 9  | John Mac Ferlanc   | Hardy & Harper          | Telephone: 714 444 1851  Email:  MCHURNOCI- Church 1990 herper. Com   |
| 10 | Daryeuch Davondi   | DASH<br>Construction    | Telephone: 747-226-1744  Email: info adash Construction  Company. Com |

PLEASE PRINT LEGIBLY:

|     | NAME   | COMPANY                           | CONTACT INFORMATION  |
|-----|--|-----------------------------------|--|
| 11  | Cameron Benedict   | Onyx Paving Company               | Telephone: 714-1532-6699 Email: bids@onyxfavingnet   |
| 12  | Rick Riach   | sequel Contractor                 | Telephone: 4-62 802-7227 Email:  |
| 13. | Jorge Mendoza  | CCK Carhwork & Card.              | Corey FROV D Septention Telephone: (109) 714- 8 1  Email: Jorge CLC Realth work  engintering con Telephone: 114-47646718 |
|     | Doug MARTIN  | Doug MARTIN<br>Contracting Co     | Email: Doug & Doug in Antive Com Telephone: 710 574-2744   |
| 15  | Jesse Pearcze  | El Segundo Water                  | Email:  Thodroza Delsesudo. Uns  |
| 16  | Johnathan Umenca   | El Segundo structs                | Telephone: 323: 678-1864  Email:  Jimenez & Elsegundo.org  Telephone: 310 324-2715                                       |
| 17  | Vita Lopez   | El Segundo<br>Chen. Services Div. | Email: Vope & Celsies do of Telephone:   |
| 8   | 100 St. 100 St   |                                   | Email: Telephone:  |
| 19  | 10 TO TO THE TOTAL THE TOTAL TO THE TOTAL TOTAL TO THE TO |                                   | Email:   |
| 20  |  |                                   | Email:   |

#### FELDMAN & ASSOCIATES, INC.

Attorneys at Law
11030 Santa Monica Boulevard
SUITE 109
Los Angeles, California 90025
(310) 312-5401
Facsimile (310) 312-5409

August 8, 2024

#### VIA EMAIL

City of El Segundo Public Works Department Floriza Rivera Principal Engineer 350 Main Street El Segundo, CA 90245 frivera@elsegundo.org

Re: Dash Construction Company, Inc. / City of El Segundo

Project: FY 24-25 Pavement Rehabilitation Project ("Project")

Bid No.: PW 24-08

Awarding Body: City of El Segundo ("City")

#### Dear Ms. Rivera:

This law firm represents Dash Construction Company, Inc. ("Dash"). Dash, a general contractor, bid this project on July 2, 2024, and should be deemed the low bidder on the above-referenced Project. The purpose of this letter is to formally protest awarding the Project to LCR Earthwork & Engineering, Corp. ("LCR") whose bid was non-responsive.

In addition, Dash requests the following:

- 1. That this letter serve as a protest against the award of the above contract to anyone other than Dash.
- 2. Mailed notice of all meetings of the awarding authority at which any issues pertaining to the award to the contract are on the agenda for meeting pursuant to Gov. Code § 54954.1
- 3. That Dash be informed by telephone or fax or email as soon as any staff reports or recommendations concerning any issues pertaining to the award of the contract are available to the public, so that we can immediately inspect those reports or recommendations.
- 4. The ability to address the awarding authority before or during consideration of any issues pertaining to the award of the contract pursuant to Gov. Code § 54954.3(a).

For the reasons stated below, the LCR bid is not responsive and must be rejected according to California law.

#### **LEGAL AUTHORITIES**

Before addressing the arguments raised by Dash below, a correct understanding of the law as it applies to Bid Protests is an important first step.

California law mandates that a public entity must competitively bid public works contracts and award the contract to the lowest responsible bidder that submits a responsive bid. *MCM Construction, Inc. v. City and County of San Francisco* (1998) 66 Cal.App.4th 359, 368.

To be responsive, a bid must conform to the material terms of the Instructions. See Menefee v. County of Fresno (1985) 163 Cal.App.3d 1175. A bid that varies materially from the specifications must be rejected. Stimson v. Hanley (1907) 151 Cal. 379. The material terms of a bid are (1) those that affect price, quantity, quality, or delivery and (2) those terms that the bid package clearly identifies as mandatory. Id. A bid fails to comply materially with the bid package if it gives the bidder a substantial economic advantage or benefit not enjoyed by other bidders. Menefee v. County of Fresno (1985) 163 Cal.App.3d 1175.

In other words, if a bid is not responsive, it cannot be accepted.

#### **ARGUMENT**

For the following reasons, the City should award the Project contract to Dash, the lowest responsive and responsible bidder.

#### I. LCR's Bid Failed to Fulfill a Mandatory Requirement

Addendum No. 1 explicitly states that "[a]s evidence that the BIDDER has read this Addendum, the BIDDER must acknowledge same in the space provided below and submit this Addendum with the Proposal. Failure to provide such acknowledgment shall render the proposal as non-responsive and subject to rejection." (emphasis added).

Here, LCR failed to submit the acknowledgment of the Addendum ("Acknowledgement") with its Proposal. A copy of LCR's proposal is attached as **Exhibit "A."** The language of the Addendum referenced above makes it clear that LCR's failure to submit the Acknowledgment is a material variance.

The failure to submit the Addendum and acknowledge it allowed LCR the ability to withdraw its bid. This gives LCR an economic advantage not enjoyed by others and makes an award to LCR illegal.



Therefore, the City (1) cannot waive the material variance, and (2) must reject LCR's bid for non-responsiveness. In fact, the City is required by law to reject LCR's non-responsive bid and award the Project to Dash, the lowest responsive bidder. The City will be in violation of California law should it proceed with awarding the Project to LCR.

#### **SUMMARY**

The bid of LCR is non-responsive and must be rejected due to the fatal errors in its Bid. However, Dash's bid was fully responsive to the bid invitation; and Dash is a responsible contractor. Therefore, the City must deem the bid of LCR as non-responsive, and award the Project to Dash.

Very Truly Yours,

John Paul Cosico, Esq.

for FELDMAN & ASSOCIATES, INC.

Cc: Client

Mark A. Feldman, Esq.

### **EXHIBIT A**

#### PROPOSAL FOR THE

#### FY 24/25 PAVEMENT REHABILITATION PROJECT

PROJECT NO.: PW 24-08

| Date July 2    | , 20 <u><b>24</b></u> |                |  |
|----------------|-----------------------|----------------|--|
|                | CR Earthwork & Engi   | neering, Corp. |  |
| TO THE CITY OF | EL SEGUNDO:           |                |  |

In accordance with the City of El Segundo's Notice Inviting Sealed Bids, the undersigned **BIDDER** hereby proposes to furnish all materials, equipment, tools, labor, and incidentals required for the above stated project as set forth in the Plans, Specifications, and contract documents therefor, and to perform all work in the manner and time prescribed therein.

BIDDER declares that this proposal is based upon careful examination of the work site, Plans, Specifications, Instructions to Bidders, and all other contract documents. Submittal of this bid shall be considered evidence that the BIDDER has satisfied himself regarding the contract documents, access and any other field conditions which may affect bid prices. If this proposal is accepted for award, BIDDER agrees to enter into a contract with the City of El Segundo at the unit and/or lump sum prices set forth in the following Bid Schedule. BIDDER understands that failure to enter into a contract in the manner and time prescribed will result in forfeiture to the City of El Segundo of the proposal guarantee accompanying this proposal.

BIDDER understands that a bid is required for the entire work, that the estimated quantities set forth in the Bid Schedule are solely for the purpose of comparing bids, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed. THE CITY OF EL SEGUNDO RESERVES THE RIGHT TO INCREASE OR DECREASE THE AMOUNT OF ANY QUANTITY SHOWN AND TO DELETE ANY ITEM FROM THE CONTRACT. It is agreed that the unit and/or lump sum prices bid include all apparent expenses, taxes, royalties, and fees. In the case of discrepancies in the amounts bid, unit prices shall govern over extended amounts, and words shall govern over figures.

If awarded the Contract, the undersigned further agrees that in the event of the BIDDER'S default in executing the required contract and filing the necessary bonds and insurance certificates within ten working days after the date of the City of El Segundo's notice of award of contract to the BIDDER, including sending by U.S. Mail a Public Works Contract for signature by the Awardee, the proceeds of the security accompanying this bid shall become the property of the City of El Segundo and this bid and the acceptance hereof may, at the City of El Segundo's option, be considered null and void.

#### EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

BIDDER certifies that in all previous contracts or subcontracts, all reports which may have been due under the requirements of any agency, State, or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

#### AFFIRMATIVE ACTION CERTIFICATION

BIDDER certifies that affirmative action has been taken to seek out and consider minority business enterprises for those portions of the work to be subcontracted, and that such affirmative actions have been fully documented, that said documentation is open to inspection, and that said affirmative action will remain in effect for the life of any contract awarded hereunder. Furthermore, BIDDER certifies that affirmative action will be taken to meet all equal employment opportunity requirements of the contract documents.

#### NONCOLLUSION AFFIDAVIT

**BIDDER** declares that the only persons or parties interested in this proposal as principals are those named herein; that no officer, agent, or employee of the City of El Segundo is personally interested, directly or indirectly, in this proposal; that this proposal is made without connection to any other individual, firm, or corporation making a bid for the same work and that this proposal is in all respects fair and without collusion or fraud.

#### **BID SCHEDULE**

### FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

Company Name: LCR Earthwork & Engineering, Corp.

**Base Bid Items** 

| ITEM<br>NO. | DESCRIPTION   | QUANTITY | UNIT | UNIT<br>PRICE (\$) | TOTAL (\$)   |
|-------------|---|----------|------|--------------------|--------------|
| 1           | Mobilization/demobilization including traffic control (maximum 5% of total bid)                                 | 1        | LS   | \$75,000.00        | \$75,000.00  |
| 2           | 2-inch-deep asphalt repairs   | 15,000   | SF   | \$5.00             | \$75.000.00  |
| 3           | Full depth 6" asphalt concrete over 6" crushed aggregate base asphalt repairs                                   | 2000     | SF   | \$20.00            | \$40,000.00  |
| 4           | Slurry seal Type II application   | 635,284  | SF   | \$.28              | \$177,879.52 |
| 5           | On slurry seal streets, mechanically remove and restore traffic striping, markings, and pavement markers        | 1        | LS   | \$63,000.00        | \$63,000.00  |
| 6           | Grind asphalt 2"  | 404,287  | SF   | \$.40              | \$161,714.80 |
| 7           | Overlay 2"  | 404,287  | SF   | \$1.95             | \$788,359.65 |
| 8           | Adjust sewer and storm drain manholes to final grade  | 37       | EA   | \$1,200.00         | \$44,400.00  |
| 9           | Procure water valve cover risers  | 75       | EA   | \$900.00           | \$67,500.00  |
| 10          | Adjust water valve covers to final grade  | 75       | EA   | \$750.00           | \$56,250.00  |
| 11          | On overlay streets, remove pavement markers and restore traffic striping, markings, and pavement markers        | 1        | LS   | \$45,000.00        | \$45,000.00  |
| 12          | Additional cost to upgrade yellow two-stripe-style crosswalks to become ladder-style crosswalks (thermoplastic) | 1        | LS   | \$20,000.00        | \$20,000.00  |

Subtotal, Base Bid Items \$1,614,103.97

Alternative Bid Items 13 and 14 (Determined by the City on an as-needed basis)

| ITEM<br>NO. | DESCRIPTION   | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|---|----------|------|--------------------|--------------------|
| 13          | Construct drainage<br>improvements in Alley B-<br>159 per Appendix F plans<br>and construction schedule   | 1        | LS   | \$95,000.00        | \$95,000.00        |
| 14          | Construct Palm/Loma Vista<br>6" AC over 6" CAB full-<br>depth pavement<br>reconstruction, slurry seal<br>Type II, and striping per<br>Appendix D layout | 1        | LS   | \$84,000.00        | \$84,000.00        |

Subtotal, Alternative Bid Items 13 and 14

\$179,000.00

Alternative Bid Items A15-A17 (Determined by the City on an as-needed basis)

Alley Rehabilitation 4" asphalt concrete (AC) over 4" crushed aggregate base (CAB) one alley at a time (5 day closure until completion, any open subgrade and base section plated overnight)

| ITEM<br>NO. | DESCRIPTION  | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|--|----------|------|--------------------|--------------------|
| A15         | 4" AC over 4" CAB pavement reconstruction in Alley B-159 bounded by Sheldon, Franklin, Penn, and El Segundo Blvd.  | 1        | LS   | \$75,000.00        | \$75,000.00        |
| A16         | 4" AC over 4" CAB pavement reconstruction in Alley B-161 bounded by Penn, Franklin, Sierra, and El Segundo Blvd.   | 1        | LS   | \$75,000.00        | \$75,000.00        |
| A17         | 4" AC over 4" CAB pavement reconstruction in Alley B-151 bounded by Sierra, Franklin, Lomita, and El Segundo Blvd. | 1        | LS   | \$75,000.00        | \$75,000.00        |

Subtotal, Alternative Bid Items A15 through A17

\$225,000.00

Alternative Bid Items B15-B17 (Determined by the City on an as-needed basis)

Alley Rehabilitation 4" asphalt concrete over 4" crushed aggregate base such that an entire alley

reconstruction is completed in one day to minimize the impact to business access

| ITEM<br>NO. | DESCRIPTION  | QUANTITY | UNIT | UNIT<br>PRICE (\$) | ITEM<br>TOTAL (\$) |
|-------------|--|----------|------|--------------------|--------------------|
| B15         | 4" AC over 4" CAB one-<br>day pavement<br>reconstruction in Alley B-<br>159 bounded by Sheldon,<br>Franklin, Penn, and El<br>Segundo Blvd. | 1        | LS   | \$94,000.00        | \$94,000.00        |
| B16         | 4" AC over 4" CAB one-day<br>pavement reconstruction in<br>Alley B-161 bounded by<br>Penn, Franklin, Sierra, and El<br>Segundo Blvd.       | 1        | LS   | \$94,000.00        | \$94,000.00        |
| B17         | 4" AC over 4" CAB one-day<br>pavement reconstruction in<br>Alley B-151 bounded by<br>Sierra, Franklin, Lomita, and<br>El Segundo Blvd.     | 1        | LS   | \$94,000.00        | \$94,000.00        |

Subtotal, Alternative Bid Items B15 through B17 (Do not add to total bid amount)

\$282,000.00

TOTAL BID FOR ITEMS 1-A17 IN FIGURES =

\$ 2,018,103.97

TOTAL BID WRITTEN IN WORDS:

Two Million Eighteen Thousand One Hundred Three Dollars and Ninety Seven Cents

All work shall be per these specifications and attachments. Prevailing wage rates apply. The City of El Segundo reserves the right to reject any or all bids, to waive any irregularity, and to take all bids under advisement for a period of **ninety (90) calendar days.** 

#### BIDDER'S INFORMATION

| Company Name                                | ELCR Earthwork & Engineering, Corp.  |
|---|--|
| BIDDER certifice individual, partr Corporat | es that the following information is true and correct: Form of Legal Entity (i.e., nership, corporation, etc.) as written below:                                       |
| If corporation, S                           | State of Incorporation (i.e., California) California   |
| Business                                    | LCR Earthwork & Engineering, Corp.   |
| Address                                     | 4791 Mt Rainier St   |
|   | Jurupa Valley CA 92509   |
| Telephone No.                               | 951-934-3231   |
| Facsimile No.                               | 951-602-8022   |
| State Contracto                             | tate License Issued 12/24/19 State License Expiration Date 12/31/24  |
| firm members, pthis proposal:               | re the names, titles, <b>email addresses</b> , and phone numbers of all individuals, partners, joint venturers, and/or corporate officers having principal interest in |
| Jorge Mendo                                 | oza/Vice President 4791 Mt Rainier St Jurupa Valley CA 92509 951-934-323   |
| Jennifer Mer                                | ndoza/President 4791 Mt Rainier St Jurupa Valley CA 92509 951-934-323  |
| The date of any interest in this p          | voluntary or involuntary bankruptcy judgments against any principal having an roposal is as follows:   |
| interest in this p                          | orior DBA's, aliases, and/or fictitious business names for any principal having an roposal are as follows:   |
| N/A   |  |
|   |  |

#### BIDDER'S INFORMATION (CONTINUED)

| ompany Name: LCR Earthwork & Engineering, Corp.                                     |  |
|---|--|
|   |  |
|   |  |
| dder shall list the name of the person who attended the mandatory pre-bid job walk: |  |
| ame: Jonye L'Hencozy  |  |
| ame: Ongc -1 cencore  |  |
|   |  |
| Project Manager   |  |

| IN WITNESS WHEREOF, BIDDER executes and submits this proposal with the nar titles, hands, | aes |
|---|-----|
| and seals of all a forenamed principals this 2 day of July , 2024.                        |     |
|   |     |
| BIDDER  |     |
| LCR Earthwork & Engineering, Corp.  |     |
|   |     |
|   |     |
|   |     |
|   |     |
|   |     |
|   |     |
|   |     |
|   |     |
| Subscribed and sworn to this 2 day of July , 20 24.                                       |     |
|   |     |
| NOTARY PUBLIC   |     |
| See cittained   |     |

## **JURAT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

| State of California<br>County of <u>Rivusiue</u>       |                         |  |
|--|-------------------------|--|
| Subscribed and sworn to (or at this 2/1/2/ day of      | The same                | , 20 <u>24</u> ,   |
|  | Mendozu                 |  |
| proved to me on the basis of sa<br>appeared before me. | atisfactory evidence to | be the person(s) who  ADRIANA CAMARENA BARRERA  Notary Public - California  Riverside County |
| Signature ACK  |                         | Commission # 2483694<br>My Comm. Expires Mar 5, 2028   |

# PROPOSAL GUARANTEE BID BOND

# FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

## KNOW ALL MEN BY THESE PRESENTS that,

| LCR Earthwork & Engineering, Corp., as BIDDER, and  |
|---|
| The Gray Casualty & Surety Company, as SURETY, are held and firmly bound unto the   |
| City of El Segundo, in the penal sum of   |
| IN WITNESS WIIEREOF the parties hereto have set their names, titles, hands, and seals this  |
| 2nd day of July 2024.   |
| BIDDER* LCR. Earthwork & Engineering, Corp. 4791 Mt. Rainier St. Jurupa Valley, CA 92509 (951) 934-3231    Jouge   Mencozu   Vice President     SURETY* The Gray Casualty & Surety Company   1225 W. Causeway Approach. Mandeville, LA 70471 (877) 857-6006 |
| Pietro Micciche, Attorney-in-Fact 3455 Ocean View Blvd #200, Glendale, CA 91208 (323) 663-781   |
| Subscribed and sworn to this day of  NOTARY PUBLIC  *Provide BIDDER/SURETY name, title, address and telephone number and the name, title, address and telephone number for authorized representative.   |

### CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

| A notary public or other officer completing this certificate document to which this certificate is attached, and not the   | e verifies only the identity of the individual who signed the truthfulness, accuracy, or validity of that document.   |
|--|---|
| State of California )  |   |
| County of Los Angeles )  |   |
| on July 2n4,2024 before me, Ange   | Nunez, Notary Public  |
| Deta Delore me,  | Here Insert Name and Title of the Officer   |
| . Pietro Micciche  | TOO MOST FIELD WILL SHOW IN   |
| personally appeared Pietro Micciche  | Name(s) of Signer(s)  |
| subscribed to the within instrument and acknowled instrument acknowled instrument and acknowled instrument acknowled instrument and acknowled instrument and acknowled instrument acknowled instrument acknowled instrument acknowled instrument acknowled instrument acknowled instrument acknowled ins | evidence to be the person(x) whose name(x) is/xixed adged to me that he/xixe/kpex executed the same in a/xixe/ksignature(x) on the instrument the person(x), ed, executed the instrument.  certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  WITNESS my hand and official seal.     |
| Notary Public - California Los Angeles County Commission # 2482770   | Manah MA  |
| My Comm. Expires Mar 14, 2028  | Signature of Notary Public  |
| Place Notary Seal Above  | Signature of Notary Public  |
| Place Notary Seal Above  OPT  Though this section is optional, completing this is  | Signature of Notary Public  Signature of Notary Public  FIONAL  Information can deter alteration of the document or form to an unintended document.   |
| Place Notary Seal Above  OPT  Though this section is optional, completing this is  | Signature of Notary Public  TONAL  Information can deter alteration of the document or form to an unintended document.  |
| Place Notary Seal Above  OPT  Though this section is optional, completing this i fraudulent reattachment of this  Description of Attached Document   | Signature of Notary Public  FIONAL  |
| Place Notary Seal Above  OPT  Though this section is optional, completing this i fraudulent reattachment of this  Description of Attached Document   | Signature of Notary Public  FIONAL  |
| Place Notary Seal Above  OPT  Though this section is optional, completing this i fraudulent reattachment of this  Description of Attached Document  Title or Type of Document:  Number of Pages: Signer(s) Other Than  Canacity(ies) Claimed by Signer(s)  | Signature of Notary Public  FIONAL  Information can deter alteration of the document or form to an unintended document.  Document Date:  Named Above:   |
| Place Notary Seal Above  OPT  Though this section is optional, completing this i fraudulent reattachment of this  Description of Attached Document  Title or Type of Document:  Number of Pages: Signer(s) Other Than  Canacity(ies) Claimed by Signer(s)  | Signature of Notary Public  FIONAL  Information can deter alteration of the document or form to an unintended document.  Document Date:  Named Above:   |
| Place Notary Seal Above  OPT Though this section is optional, completing this infraudulent reattachment of this  Description of Attached Document Title or Type of Document:  Number of Pages: Signer(s) Other Than Capacity(ies) Claimed by Signer(s)  Signer's Name:  Corporate Officer — Title(s):  | Signature of Notary Public  Signature of Notary Public  Signature of Notary Public  Signature of Notary Public  TONAL  Information can deter alteration of the document or form to an unintended document.  Document Date:  Named Above:  Signer's Name:  Corporate Officer — Title(s):   |
| Place Notary Seal Above  OPT Though this section is optional, completing this infraudulent reattachment of this Description of Attached Document Title or Type of Document: Number of Pages: Signer(s) Other Than Capacity(ies) Claimed by Signer(s) Signer's Name:  Corporate Officer — Title(s): Partner — □ Limited □: General  | Signature of Notary Public  Signature of Notary Public  Signature of Notary Public  Signature of Notary Public  TONAL  Information can deter alteration of the document or form to an unintended document.  Document Date:  Document Date:  Named Above:  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited General  Individual Attorney in Fact |
| Place Notary Seal Above  Though this section is optional, completing this infraudulent reattachment of this  Description of Attached Document  Title or Type of Document:  Number of Pages: Signer(s) Other Than  Capacity(ies) Claimed by Signer(s)  Signer's Name: Corporate Officer — Title(s): Partner — □ Limited □ General  Individual Attorney in Fact  | Signature of Notary Public  FIONAL Information can deter alteration of the document or form to an unintended document.  Document Date:  Document Date:  Named Above:  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited General Individual Attorney in Fact Trustee Guardlan or Conservator  |
| Place Notary Seal Above  Place Notary Seal Above  Though this section is optional, completing this infraudulent reattachment of this  Description of Attached Document  Title or Type of Document:  Number of Pages:  Signer(s) Other Than  Capacity(ies) Claimed by Signer(s)  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited  Attorney in Fact  Individual  Guardian or Conservator  Other:  | Signature of Notary Public  FIONAL Information can deter alteration of the document or form to an unintended document.  Document Date:  Document Date:  Named Above:  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited General Individual Attorney in Fact Trustee Guardian or Conservator  |
| Place Notary Seal Above  Though this section is optional, completing this infraudulent reattachment of this  Description of Attached Document  Title or Type of Document:  Number of Pages: Signer(s) Other Than  Capacity(ies) Claimed by Signer(s)  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited : General  Individual Attorney in Fact  Trustee : Guardian or Conservator   | Signature of Notary Public  FIONAL Information can deter alteration of the document or form to an unintended document.  Document Date:  Document Date:  Named Above:  Signer's Name:  Corporate Officer — Title(s):  Partner — Limited General Individual Attorney in Fact Trustee Guardlan or Conservator  |

#### THE GRAY INSURANCE COMPANY THE GRAY CASUALTY & SURETY COMPANY

GENERAL POWER OF ATTORNEY

Bond Number: 33 Principal: LUR Enrthworls & Engineering, COTP.

Project: FY 24/25 Pavement Rehabilitation Project

KNOW ALL BY THESE PRESENTS. THAT The Gray Insurance Company and The Gray Casualty & Surety Company, corporations duly organized and existing under the laws of Louisiana, and having their principal offices in Metairic, Louisiana, do hereby make, constitute, and appoint: Patricia Zenizo, Elisabete Salazar, Angel Nunez, and Pietro Micciche of Los Angeles, California jointly and severally on behalf of each of the Companies named above its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its deed, bonds, or other writings obligatory in the nature of a bond, as surety, contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract of suretyship executed under this authority shall exceed the amount of \$25,000,000.00.

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both The Gray Insurance Company and The Gray Casualty & Surety Company at meetings duly called and held on the 26th day of June, 2003.

"RESOLVED, that the President, Executive Vice President, any Vice President, or the Secretary be and each or any of them hereby is authorized to execute a power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings, and all contracts of surety, and that each or any of them is hereby authorized to attest to the execution of such Power of Attorney, and to attach the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be binding upon the Company now and in the future when so affixed with regard to any bond, undertaking or contract of surety to which it is attached.

IN WITNESS WHEREOF, The Gray Insurance Company and The Gray Casualty & Surety Company have caused their official seals to be hereinto affixed, and these presents to be signed by their authorized officers this 4th day of November, 2022.

President

The Gray Insurance Company

Cullen S. Piske President The Gray Casualty & Surety Company



State of Louisiana

Parish of Jefferson On this 4th day of November, 2022, before me, a Notary Public, personally appeared Michael T. Gray, President of The Gray Insurance Company, and Cullen S. Piske, President of The Gray Casualty & Surety Company, personally known to me, being duly sworn, acknowledged that they signed the above Power of Attorney and affixed the seals of the companies as officers of, and acknowledged said instrument to be the voluntary act and deed, of their companies. eigh frume Henrican



Leigh Anne Henican Notary Public Notary ID No. 92653 Orleans Parish, Louisiana

Leigh Anne Henican Notary Public, Parish of Orleans State of Louisiana My Commission is for Life

I, Mark S. Manguno, Secretary of The Gray Insurance Company, do hereby certify that the above and forgoing is a true and correct copy of a Power of Attorney given by the companies, which is still in full force and effect. IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Company this 201 day of 3413 . 2029:

Mark Mangans

I. Leigh Anne Henican, Secretary of The Gray Casualty & Surety Company, do hereby certify that the above and forgoing is a true and correct copy of a Power of Attorney given by the companies, which is still in full force and effect. IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Company this 2nd day of 3019 . 2029

Leigh Jame Henican





## **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

| State of California County of 2100051016   |
|--|
| On 07 02 2021 before me, Advana Camakera Barrya Votany Public (insert name and title of the officer)                           |
| personally appeared  |
| I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. |
| WITNESS my hand and official seal.  ADRIANA CAMARENA SARRERA Notary Public - California Riverside County                       |
| Signature (Seal)   |

## CONTRACTOR'S LICENSE DECLARATION

(Business and Professions Code Section 7028.15)

| 1.     | BIDDER'S Contractor's License Number is:   |
|--------|--|
|        | 1048288 Class No.: A, C-12 & C-21  |
| 2.     | The expiration date of BIDDER'S Contractor License is:   |
|        | December 31 , 20 <u>24</u> .   |
| 3.     | <b>BIDDER</b> acknowledges that Section 7028.15(e) of the Business and Professions Code provides as follows:   |
|        | "A licensed contractor shall not submit a bid to a public agency unless his or her contractor's license number appears clearly on the bid, the license expiration date is stated, and the bid contains a statement that representations herein are made under penalty of perjury. Any bid not containing this information, or a bid containing information which is subsequently proven false, shall be considered non-responsive and shall be rejected by the public agency." |
|        | The undersigned declares, under penalty of perjury, that the representations made by the undersigned in this bid proposal are true and correct.  |
| Execu  | ted on July 2, 20 <u>24</u> , at   |
| Jurupa | a Valley, California (insert City and State where Declaration signed).   |
|        |  |
|        | Signature  |
|        | Jorge L Mendoza  |
|        | Typed Name   |
|        | Vice President   |
|        | Title  |
|        | LCR Earthwork & Engineering, Corp.  Company Name   |

# NON-COLLUSION AFFIDAVIT TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

| State of California )  |  |
|--|--|
| County of )  |  |
|  |  |
| Jorge L Mendoza , being first duly so  | worn, deposes and say that he or she is  |
| Vice President of LC   | CR Earthwork & Engineering, Corp.  |
| any undisclosed person, partnership, compant the bid is genuine and not collusive or sham; induced or solicited any other <b>BIDDER</b> to prindirectly colluded, conspired, connived, or as a sham bid, or that anyone shall refrain from be directly or indirectly, sought by agreement, or the bid price of the <b>BIDDER</b> or any other belement of the bid price, or of that of any other the public body awarding the contract of any statements contained in the bid are true; as indirectly, submitted his or her bid price or and divalged information or data relative there | id is not made in the interest of, or on behalf of, by, association, organization, or corporation; that it the <b>BIDDER</b> has not directly or indirectly ut in a false or sham bid, and has not directly or greed with any <b>BIDDER</b> or anyone else to put in bidding; that the <b>BIDDER</b> has not in any manner, communication, or conference with anyone to fix <b>BIDDER</b> , or to fix any overhead, profit, or cost are <b>BIDDER</b> , or to secure any advantage against yone interested in the proposed contract; that all and further, that the bidder has not, directly on the breakdown thereof, or the contents thereof, or to, or paid, and will not pay, any fee to any in, organization, bid depository, or to any member ham bid. |
| 4  | LCR Earthwork & Engineering, Corp.   |
| Signature  | Name of Bidder/Company Name  |
| Jorge L Mendoza  | 7/2/24   |
| Typed Name   | Date   |
| Vice President   |  |
| Title  |  |

## **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

| Total State of the |
|--|
| State of California County of Riversure  |
| On 07/02/2024 before me, Adnana Cartavara Barrara Notary Publi (insert name and title of the officer)  |
| who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  |
| I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.   |
| WITNESS my hand and official seal.  ADRIANA CAMARENA BARRERA Notary Public - California Riverside County Commission # 2483694  |
| Signature (Seal)   |

## WORKER'S COMPENSATION CERTIFICATION

# Section 1861 OF THE LABOR CODE (Workers' Compensation)

Pursuant to Section 1861 of the Labor Code, the **BIDDER**, in submitting his/her **PROPOSAL**, shall sign the following certification:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract."

| Signature of Bidder:  | 4                                     |
|-----------------------|---------------------------------------|
| Title:                | Vice President                        |
| Business Name:        | LCR Earthwork & Engineering, Corp.    |
|                       | · · · · · · · · · · · · · · · · · · · |
| Business Address:     | 4791 Mt Rainier St                    |
|                       | Jurupa Valley CA 92509                |
| Telephone Number:     | (951 ) 934-3231                       |
| Dated this 2 day of J | uly 20 <b>24</b> .                    |

## DESIGNATION OF SUBCONTRACTORS

FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

| Company Name: | LCR Earthwork & Engineering, Corp. |  |
|---------------|------------------------------------|--|
| Company Name. |                                    |  |

As detailed in Section 2-3.1 (Page II-B-3) of the City Standard Specifications, Bidder certifies that it has listed below all subcontractors who will perform work in excess of one-half of one percent (0.5%) of the total bid price or certifies that the bidder is fully qualified to perform and will perform that portion of the work itself.

|                               |  |  |   | CALL STREET, SQUARE, S |
|-------------------------------|--|--|---|--|
| Name of<br>Subcontractor      | Address  | Subcontractor's Contractor License No., & DIR Registration No. | Description of<br>Portion of<br>Work<br>Subcontracted | Estimated<br>\$ Amount   |
| All American                  | (Number and Street) P.O. Box 2229 (City, Zip Code) Corona CA 92878 | (CSLB #)<br>267073<br>(DIR #)<br>1000001051                    | Slurry Seal   | \$16.0,0000  |
| Superior Pavement<br>Markings | 5312 Cypress St<br>Cypress CA 90630                                | 776306<br>1000001476   | Striping  | \$ 116,000.00  |
|                               |  |  |   |  |
|                               |  |  |   |  |
|                               |  |  |   |  |
|                               |  |  |   |  |
|                               |  |  |   |  |

| (Make copies of this page if additio | nal space is needed) |
|--------------------------------------|----------------------|
| A                                    | 7/2/24               |
| Signature of Bidder                  | Date                 |



### REFERENCES

| Company Name: LCR Earthwork & Engineering, Corp.  |
|---|
| The following are the names, addresses, and telephone numbers for public agencies for which <b>BIDDER</b> has performed similar work as the prime Contractor or major Subcontractor within the past five (5) years: |
| 1. Project Title: 2021-2022 Annual Pavement Rehabiliation FY22  |
| Location: Various street locations in the city of Industry  |
| City of Industry 255 N Hacienda Blvd Suite 222 City of Industry CA 91744  |
| Name and address of owner   |
| Chris Lum 562-896-2260  |
| Name and current telephone number of person familiar with project   |
| Type of Work:  Resurfacing of various city streets, cold milling, AC pavement overlay repair broken curbs, gutters, driveways and sidewalks upgrading ramps to ADA standards and pavement marking and striping      |
| Contract amount: \$ 1,284,015.00 Date completed: 11/2/23  |
| Amount of work done by my/our firm under Contract \$1,284,015.00  |
| Did your firm have any financial interest in Project?   |
| 2. Project Title: Reconstruct City Owned Parking lot  |
| Location: 9818 Artesia Blvd Bellflower CA 90706   |
| City of Bellflower 16600 Civic Center Dr Bellflower CA 90706  |
| Name and address of owner   |
| Jerry Stock 562-804-1424  |
| Name and current telephone number of person familiar with project   |
| Type of Work: Remove and Replace Parking Lot  |
| Contract amount: \$478,350.00 Date completed: 9/6/23  |
| Amount of work done by my/our firm under Contract \$478,350.00  |
| Did your firm have any financial interest in Project?   |



| Project Title: Annual Concrete Replacement   |  |  |  |  |  |
|--|--|--|--|--|--|
| Location: Various locations  |  |  |  |  |  |
|  |  |  |  |  |  |
| City of Orange 300 E. Chapman Ave Orange CA 92866  Name and address of owner   |  |  |  |  |  |
| Salvador Munoz 714-744-5547  |  |  |  |  |  |
| Name and current telephone number of person familiar with project  |  |  |  |  |  |
| The part of the state of the st |  |  |  |  |  |
| Type of Work: PCC sidewalks, curbs and gutter removal and replacements.  Driveway apron, cross gutter and spandrel.  |  |  |  |  |  |
| Contract amount: \$ 1,322,400.00 Date completed: 6/27/24   |  |  |  |  |  |
| Amount of work done by my/our firm under Contract \$ 1,322,400.00  |  |  |  |  |  |
| 7 f × A  |  |  |  |  |  |
| Did your firm have any financial interest in Project?  |  |  |  |  |  |
|  |  |  |  |  |  |
| Project Title: Roadway Repair 2024-01  |  |  |  |  |  |
|  |  |  |  |  |  |
| Location: Various locations  |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307   |  |  |  |  |  |
| Location: Various locations  |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  Rich Berger 7 40 0 - 240 - 7000   |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  Rich Berger 7 40 0 - 240 - 7000   |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  Rich Berger 700-200-7000  Name and current telephone number of person familiar with project:  Type of Work: Sawcut and remove damaged asphalt and replace   |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  Rich Berger 700-200-7000  Name and current telephone number of person familiar with project:  Type of Work: Sawcut and remove damaged asphalt and replace  Contract amount: \$521,750.00  Date completed: 6/20/24   |  |  |  |  |  |
| Location: Various locations  The Town of Apple Valley 14955 Dale Evans Prkwy Apple Valley CA 92307  Name and address of owner  Rich Berger 700-200-7000  Name and current telephone number of person familiar with project:  Type of Work: Sawcut and remove damaged asphalt and replace   |  |  |  |  |  |

| 5. Project Title: Jefferson ES Grading Asphalt Removal & Replacement  |      |
|---|------|
| Location: 2508 E 133rd St Compton CA 90222  |      |
| Compton Unified School District 417 W Alondra Blvd Compton CA 90221   |      |
| Name and address of owner   |      |
| Steve Pedroza 909-743-9070  |      |
| Name and current telephone number of person familiar with project:  |      |
| Type of Work: Earthwork, fine grading & remove and replace asphalt.   |      |
| Contract amount: \$_199,430.00 Date completed: 8/12/22  | ě    |
| Amount of work done by my/our firm under Contract \$_199,430.00   | _    |
| Did your firm have any financial interest in Project?   | =    |
| Bidder may attach additional reference pages if necessary.  |      |
| The following are the names, addresses, and telephone numbers for all brokers and sureties from <b>BIDDER</b> intends to procure insurance bonds: | whon |
| Preferred Bonding & Insurance Services  |      |
| 3455 Ocean View Blvd Suite 200 Glendale CA 91208  | N    |
| 213-336-3714  |      |
|   |      |
|   | Ē    |



## BIDDER'S STATEMENT OF PAST CONTRACT DISQUALIFICATIONS

# FY 24/25 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 24-08

| Comp   | any Na                        | me: LCR Eart   | hwork &                | Engin               | eering, Corp.  |
|--------|-------------------------------|--|------------------------|---------------------|--|
| on, or | e state a<br>comple<br>regula | eting, a federa  | being d<br>l, state, o | isquali<br>or local | fied, removed, or otherwise prevented from bidding government project due to a violation of a law or |
| 1.     | Have                          | you ever been  | ı disqual              | ified fi            | rom any government contract?   |
|        | Yes                           |  | No                     | K                   |  |
| 2.     | If yes                        | , explain the c  | ircumsta               | inces:              | •  |
| N/A    |                               |  |                        |                     |  |
|        |                               |  |                        |                     |  |
|        |                               |  |                        |                     |  |
| pi     |                               |  |                        | *                   |  |
| -      |                               | -  |                        |                     |  |
|        |                               |  |                        |                     |  |
| 3.     | Are y                         | ou registered in the court of t | in accord              | lance v             | with Labor Code § 1725.5 [Note: failure to register as nonresponsive]?                               |
|        | Yes                           |  | No                     | 図                   |  |
|        |                               |  |                        |                     | Bjøder's Signature   |
|        |                               |  |                        |                     | Jorge L Mendoza  |

### INSURANCE REQUIREMENTS

[MUST BE SUBMITTED WITH PROJECT PROPOSAL]
FY 24/25 PAVEMENT REHABILITATION PROJECT
PROJECT NO.: PW 24-08

Company Name: LCR Earthwork & Engineering, Corp.

To be awarded this contract, the successful bidder must procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

Type of Insurance
Commercial general liability:
Business automobile liability:
Workers compensation:

<u>Limits</u> \$2,000,000 \$1,000,000

Statutory requirement

Commercial general liability insurance must meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above must be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies must be endorsed to name the City, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by the City will be excess thereto. Such endorsement must be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance must be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to the City.

Insurer will agree in writing to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by Contractor for the City.

Automobile coverage must be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

The Consultant must furnish to the City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by the City from time to time. Insurance must be placed with admitted insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII." Certificate(s) must reflect that the insurer will provide thirty (30) day notice of any cancellation of coverage. The Consultant will require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

The City requires <u>California</u> Worker's Compensation Coverage with the associated Waiver. Out-of-state coverage will not be accepted in lieu of the California coverage, because the work is being performed in the State of California.

By signing this form, the bidder certifies that it has read, understands, and will comply with these insurance requirements if it is selected as the City's consultant. Failure to provide this insurance will render the bidder's proposal "nonresponsive."

7/2/24

Date

Bidder's Signature

## END PROPOSAL SECTION

## FELDMAN & ASSOCIATES, INC.

Attorneys at Law
11030 Santa Monica Boulevard
suite 109
Los Angeles, California 90025
(310) 312-5401
Facsimile (310) 312-5409

August 19, 2024

#### VIA EMAIL

City of El Segundo Public Works Department Floriza Rivera Principal Engineer 350 Main Street El Segundo, CA 90245 frivera@elsegundo.org

Re: Dash Construction Company, Inc. / City of El Segundo

Project: FY 24-25 Pavement Rehabilitation Project ("Project")

Bid No.: PW 24-08

Awarding Body: City of El Segundo ("City")

Dear Ms. Rivera:

As you know, this law firm represents Dash Construction Company, Inc. ("Dash").

Addendum No. 1 to PW 24-08: FY 24-25 PAVEMENT REHABILITATION PROJECT states that: "As evidence that the BIDDER has read this Addendum, the BIDDER <u>must</u> acknowledge same in the space provided below and **submit this Addendum with the Proposal**. Failure to provide such acknowledgement <u>shall</u> render the proposal as non-responsive and subject to rejection." On August 8, 2024, Dash Construction Company, Inc., through its counsel, submitted a Bid Protest Letter ("Bid Protest") arguing that LCR Earthwork & Engineering, Corp.'s ("LCR") failure to acknowledge Addendum No. 1 renders its bid non-responsive pursuant to the above-referenced language.

# I. THE CITY CANNOT WAIVE A MANDATORY REQUIREMENT IN THE BID DOCUMENTS

On August 15, 2024, counsel for Dash called Assistant City Attorney Joaquin Vazquez to discuss Dash's Bid Protest. Mr. Vazquez stated that it is the City's position that the words "subject to rejection" in Addendum No. 1 allows the City to award the Project to LCR Earthwork & Engineering, Corp. ("LCR") because the aforementioned language makes the rejection of a bid "discretionary." At the very least, Mr. Vazquez's interpretation of the above language is incorrect. At most, Mr. Vazquez's interpretation would result in an abuse of discretion by the

City of El Segundo. Should the City award the Project to LCR, Dash will have no choice but to file with the Superior Court a writ of mandate to vacate the award of a public works contract to LCR.

California's competitive bidding laws require that a public works contract be awarded to the "lowest responsible bidder." California Public Contract Code § 10108. There are two requirements which must be satisfied for a bidder to be determined to be the lowest responsible bidder: (1) the awarded bidder's bid must be "responsive"; and (2) the awarded bidder must be "responsible." It is well-established that a bid is responsive if it conforms to the public agency's specifications for the contract. Bay Cities Paving & Grading, Inc. v. City of San Leandro (2014) 223 Cal.App.4th 1181, 1188. Furthermore, "a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted if the variance cannot have affected the amount of bid or given the bidder an advantage or benefit not allowed other bidders or, in other words, if the variance is inconsequential." Valley Crest Landscape, Inc. v. City Council (1996) 41 Cal.App.4th 1432, 1440-1441. (Emphasis added).

Here, Addendum No. 1 states that "As evidence that the BIDDER has read this Addendum, the BIDDER <u>must</u> acknowledge same in the space provided below and **submit this Addendum with the Proposal**. Failure to provide such acknowledgement <u>shall</u> render the proposal as non-responsive and subject to rejection." The plain language of Addendum No. 1 suggests that failure to acknowledge the Addendum renders a bidder's proposal non-responsive. Per California law, a non-responsive bidder cannot be the lowest responsible bidder.

However, counsel for the City of El Segundo relies on the "subject to rejection" part of Addendum No. 1 in his argument that rejection of LCR's bid is discretionary. This argument ignores the rest of the sentence and well-established law in the State of California. The Addendum, which is a material modification of the bid documents, clearly states that a failure by a bidder to acknowledge the Addendum <u>shall</u> render that bidder's proposal non-responsive. The "subject to rejection" language does not make the mandatory provision discretionary.

Furthermore, LCR's failure to acknowledge Addendum No. 1 gives LCR an advantage over other bidders by affording it the possibility of avoiding its obligation to perform by withdrawing its bid without forfeiting its bid security under Public Contract Code § 5103. Additionally, LCR's failure to acknowledge Addendum No. 1 conferred a competitive advantage. LCR gained valuable time during the bidding process by not acknowledging Addendum No. 1. Even a few minutes make a significant difference in the bidding process. By failing to acknowledge Addendum No. 1, LCR was able to spend more time finalizing its numbers and obtaining lower numbers from subcontractors and suppliers. Accordingly, the irregularities in LCR's bid conferred a competitive advantage and cannot be waived. (See *Valley Crest Landscape, Inc. v. City Council* (1996) 41 Cal.App.4<sup>th</sup> 1432; *Konica Business Machines USA, Inc. v. Regents of the Univ. of Calif.* (1988) 206 C.A.3d 449, 456-457).

It is irrelevant whether LCR intended or actually took advantage of the situation that it has created by submitting a bid that violated the City's requirements and California law. Because the possibility exists that LCR possibly *might* have benefited, if it had chosen to do so, the irregularities cannot be waived. (See *Eel River Disposal & Resource Recovery, Inc. v County of Humboldt* (2013) 221 C.A.4<sup>th</sup> 209, 239).

For the reasons stated above, the City cannot waive this material variance by LCR and must reject LCR's bid as non-responsive.

Attached is a letter from another law firm that is known for representing public entities in the state of California. Here, legal counsel agreed that failure to provide documents that "must be submitted with the bid" is an irregularity not subject to waiver by the District. Similarly, Addendum No. 1 contains both the words "shall" and "must," which are compulsory words, not discretionary.

# II. <u>DASH REQUESTS THAT THIS MATTER BE TAKEN OFF THE AUGUST</u> 20, 2024, MEETING AGENDA

Dash Construction Company, Inc. requests that the City take this matter off the August 20, 2024, meeting agenda in order to provide the parties more time to resolve this dispute. Please let me know as soon as possible if you are willing to grant this request.

Very Truly Yours,

John Paul Cosico, Esq.

for FELDMAN & ASSOCIATES, INC.

Encl: July 22, 2013 Letter from Atkinson Andelson

Cc: Client

Mark A. Feldman, Esq. Joaquin Vazquez, Esq.

#### ATKINSON, ANDELSON, LOYA, RUUD & ROMO

FRESNO (559) 225-6700 FAX (559) 225-3416 IRVINE (949) 453-4260 FAX (949) 453-4262 PLEASANTON (925) 227-9200

FAX (925) 227-9202

## A PROFESSIONAL CORPORATION ATTORNEYS AT LAW

12800 CENTER COURT DRIVE SOUTH, SUITE 300 CERRITOS, CALIFORNIA 90703-9364 (562) 653-3200 - (714) 826-5480

> FAX (562) 653-3333 WWW.AALRR.COM

RIVERSIDE (951) 683-1122 FAX (951) 683-1144 SACRAMENTO (916) 923-1200 FAX (916) 923-1222 SAN DIEGO (858) 485-9526 FAX (858) 485-9412

OUR FILE NUMBER: 005195.00163 11418214.1

July 22, 2013

#### VIA EMAIL AND FIRST CLASS MAIL

Travis R. Eagan, Esq. FELDMAN & ASSOCIATES, INC. 11030 Santa Monica Blvd., Suite 109 Los Angeles, CA 90025

Re: Modernization at Benton Middle School Project
Norwalk-La Mirada Unified School District

Dear Mr. Eagan:

Our firm represents the Norwalk-La Mirada Unified School District ("District") on the above-referenced Project. Please direct all future communications regarding this Project to our attention. I am writing in response to your two letters dated July 22, 2013 requesting the District deem the bid submitted by ACC Contractors, Inc. ("ACC") responsive. After reviewing the relevant documents and after discussions with the District, it is District staff's recommendation to award the contract for the above-referenced Project to Harik Construction as the lowest responsive responsible bidder in accordance with Public Contract Code section 20111 at the regularly scheduled Board meeting on July 22, 2013.

The fact that ACC failed to submit the required DVBE documents with its bid is an irregularity that is not subject to waiver by the District. There are several references in the bid documents noting that all required DVBE documents must be submitted with the bid.

The District thanks ACC's for its interest in the Project. Please contact me if you have any questions or comments. Nothing in this letter shall be construed as a waiver of the District's rights or remedies which are expressly reserved.

Sincerely,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

HWL/mbq

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Travis R. Eagan, Esq. July 22, 2013 Page 2

cc: Cindy Jimenez (via e-mail)

## FELDMAN & ASSOCIATES, INC.

Attorneys at Law
11030 Santa Monica Boulevard
suite 109
Los Angeles, California 90025
(310) 312-5401
Facsimile (310) 312-5409

August 19, 2024

#### VIA EMAIL

City of El Segundo Public Works Department Floriza Rivera Principal Engineer 350 Main Street El Segundo, CA 90245 frivera@elsegundo.org

Re: Dash Construction Company, Inc. / City of El Segundo

Project: FY 24-25 Pavement Rehabilitation Project ("Project")

Bid No.: PW 24-08

Awarding Body: City of El Segundo ("City")

Dear Ms. Rivera:

As you know, this law firm represents Dash Construction Company, Inc. ("Dash").

# I. <u>LCR's Bid Is Non-Responsive Because It Does Not Conform with the City's Specifications</u>

Upon further review, Dash discovered another defect in LCR's bid. Page "I-C-9" titled "Proposal Guarantee Bond" states that "IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and *seals* this 2<sup>nd</sup> day of July 2024." (*See* Exhibit "A" to the August 8, 2024, Protest Letter). LCR submitted the Proposal Guarantee Bid Bond *without* LCR's seal. Therefore, LCR's bid is non-responsive and must be rejected as a matter of law.

## II. The City Must Avoid the Appearance of Favoritism in the Bidding of this Project

California law mandates that a public entity must competitively bid public works contracts and award the contract to the lowest responsible bidder that submits a responsive bid. *MCM Construction, Inc. v. City and County of San Francisco* (1998) 66 Cal.App.4th 359, 368. These requirements are strictly enforced to protect taxpayers by inviting competition, which helps "guard against favoritism, improvidence, extravagance, fraud and corruption," *Domar Electric, Inc. v. City of Los Angeles* (1994) 9 Cal. 4th 161, 173. These public interests are what is important. *Ghilotti Construction Co. v. City of Richmond* (1996) 45

Cal.App.4th 897, 908-909. Plus, actual corruption in not required. Just the appearance of fraud, favoritism or corruption must be avoided in the public works bidding process. See *Konica Business Machines USA v. Regents of the University of California* (1988) 206 Cal.App.3d 449, 456.

In the past, the City of El Segundo ("City") has exercised good judgment and displayed legal knowledge by rejecting bids that do not conform with the requirements of the City. In September 2022, Dash sent a letter to the City to protest the award of a pavement rehabilitations project to the lowest bidder, Hardy & Harper, due to its bid being nonresponsive. Per the bid documents in that project, it was required that Bid Item #1, which is for "Mobilization and Demobilization," be limited to a maximum of 5% of the total bid amount. Hardy & Harper's bid amount for this item exceeded the maximum amount. Due to this finding, the City awarded the project to the next lowest responsive and responsible bidder, Dash. Attached as **Exhibit "A"** is a copy of the City Council Agenda Statement dated September 20, 2022.

Here, LCR made multiple mistakes in filling out their bid. First, it failed to acknowledge Addendum No. 1, which the bid documents state that the bidder "must acknowledge" and that "[f]ailure to provide such acknowledgment shall render the proposal as non-responsive". Second, LCR failed to add its seal to its Proposal Guarantee Bid Bond, which was another requirement.

Dash requests that the City be consistent with its decision making and reject bids that do not conform with the City's bid requirements.

Very Truly Yours,

John Paul Cosico, Esq.

for FELDMAN & ASSOCIATES, INC.

Cc: Client

Mark A. Feldman, Esq. Joaquin Vazquez, Esq.

# **EXHIBIT A**

ELSEGUNDO

#### City Council Agenda Statement

Meeting Date: September 20, 2022 Agenda Heading: Consent

Item Number: B.4

#### TITLE:

Pavement Rehabilitation Project Award

#### RECOMMENDATION:

- Authorize the City Manager to execute a standard Public Works Contract with DASH Construction in the amount of \$997,777 for FY 22-23 Pavement Rehabilitation of East El Segundo Boulevard from Whiting Street to Illinois Street, Project No. PW 22-01, and authorize an additional \$117,523 for construction related contingencies.
- Authorize the City Manager to execute a standard Professional Services
   Agreement with KOA Corporation in the amount of \$77,000 for construction
   inspection and testing services and authorize an additional \$7,700 for
   construction related contingencies.
- 3. Alternatively, discuss and take other action related to this item.

#### **FISCAL IMPACT:**

Included in Adopted FY 21-22 Budget and re-adopted for FY 22-23. The project cost is \$1,200,000 and is fully funded by the SB-1 Fund, Measure M Local Return Fund, and Measure R Local Return Fund.

Amount Budgeted: \$533,550.00

Additional Appropriation: \$666,450 to 127-400-0000-8382 (Measure M Expenditure)

Account Number(s): \$333,550 from 128-400-0000-8383 (SB 1 Expenditure)

\$200,000 from 110-400-8203-8943 (Measure R Local Streets) \$666,450 from 127-400-0000-8382 (Measure M Expenditure)

Pavement Rehabilitation Project Award September 20, 2022 Page 2 of 3

#### BACKGROUND:

On June 7, 2022, the City Council adopted the plans and specifications for the FY 2021-22 Pavement Rehabilitation Project and authorized staff to advertise this project for construction. The scope of construction includes grinding the top two inches of East El Segundo Boulevard from Whiting Street to Illinois Street, and overlaying it with asphalt.

It is to be noted that the average Pavement Condition Index (PCI) of this roadway is 66. This index number (from 100 to 0) indicates the quality of the pavement, with a perfect score being 100.

#### **DISCUSSION:**

City staff advertised the project, and the City Clerk received and opened the following five bids on July 19, 2022:

| 1. Hardy and Harper, Inc. (Lake Forest, CA)             | \$961,000.00   |
|---|----------------|
| 2. DASH Construction (Woodland Hills, CA)               | \$997,777.00   |
| 3. Sully-Miller Contracting (Brea, CA)                  | \$1,012,700.00 |
| 4. All American Asphalt (Corona, CA)                    | \$1,064,899.00 |
| 5. Palp, Inc. DBA Excel Paving Company (Long Beach, CA) | \$1,198,600.00 |

A protest against the lowest bidder, Hardy and Harper, Inc., was received on August 19, 2022. After reviewing the protest in coordination with the City Attorney's Office, staff reached the conclusion that Hardy and Harper's bid was nonresponsive. Per bid documents, it is required that Bid Item #1, which is for "Mobilization and Demobilization," be limited to a maximum of 5% of the total bid amount. The Hardy and Harper's bid amount for this item exceeded the maximum amount. The protest and response letters are attached.

Due to this finding, staff checked the references and license status of the next lowest responsive and responsible bidder, DASH Construction. Staff found their contractor license in good standing and the performance of their work to be satisfactory. DASH Construction has successfully completed similar projects for other public agencies.

KOA has provided inspection and testing services on resurfacing projects for the City over the past few years and staff finds them to be competent and professional, and their rates appropriate for the services to be provided.

With the Council's authorization, construction is anticipated to commence in October 2022 and is scheduled to be completed by December 2022.

Pavement Rehabilitation Project Award September 20, 2022 Page 3 of 3

## CITY STRATEGIC PLAN COMPLIANCE:

Goal 4: Develop and Maintain Quality Infrastructure and Technology

Objective 4A: El Segundo's physical infrastructure supports an inviting and safe community.

#### PREPARED BY:

James Rice, Associate Engineer

**REVIEWED BY:** 

Elias Sassoon, Public Works Director

**APPROVED BY:** 

Barbara Voss, Deputy City Manager

## ATTACHED SUPPORTING DOCUMENTS:

- 1. Location Map
- 2. Vicinity Map
- 3. Bid Protest City Response Letter
- 4. Bid Protest Letter

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. The City of El Segundo with role bried responsible for any claims, losses or damages resulting from the use of this map.

E.

6,018.7 Feet

3,009.33

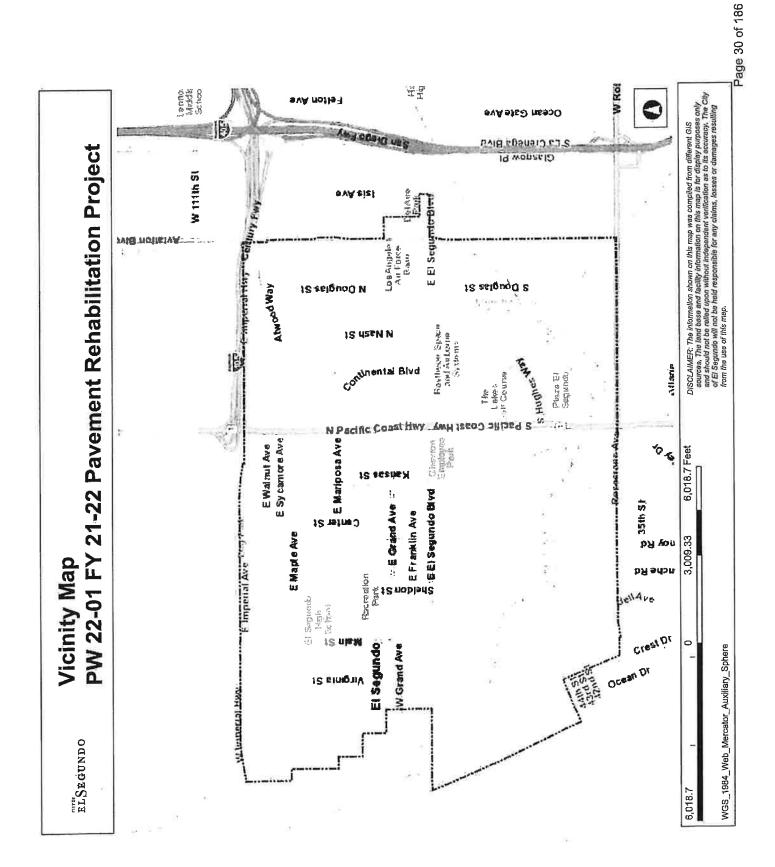
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WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere

acific Coast Hwy PW 22-01 FY 21-22 Pavement Rehabilitation Project I Marinosa Ave E THEN SE Tark sesuen F.E. Serguindo Wad E Grand Ave E Transfer and Jan Lia J 大学 10年間 g uppleus 1. . . . K **Location Map** Figure 1881 and 1879 -10 mg 10 mg UIEW S Grand & El Segundo is counting ELSEGUNDO



6,018.7





September 12, 2022

City of El Segundo 350 Main Street El Segundo, CA 90245 310-524-2200

Hardy and Harper, Inc.
Attn: Mike Amundson, Senior Estimator / Senior Project Manager
32 Rancho Circle,
Lake Forest, CA 92630
Via Email to mamundson@hardyandharper.com

#### **Elected Officials:**

Drew Boyles,
Mayor
Cluis Pimentel,
Mayor Pro Ten
Lance Giroux
Council Member
Carol Firsthuk,
Council Member
Scot Nicol,
Cauncil Member
Trucy Weaver,
City Clerk
Matthew Rabinson,
City Treasurer

#### Appointed Officials:

Durrell George, City Monager Mark D. Hensley, City Attorney

#### Department Directors:

Burbara Voss,
Deputy City Manager
Joseph Lillio,
Finance
Deena Lee,
Fire Chief
Rebecca Redyk,
Human Resources
Aly Mancini,
Recreation, Parks & Library
Scott Kim,
Acting Information Systems
Michael Allen,
Community Development
Jaime Bernudes,
Pablic Works

Subject: Protest of Hardy and Harper, Inc.'s Bid by DASH Construction for PW 22-01 FY 21/22 Pavement Rehabilitation Project

Dear Mr. Amundson,

The City of El Segundo ("City") received the attached bid protest from DASH Construction received on August 19, 2022 concerning Hardy and Harper, Inc.'s bid for the City's the FY 21/22 Pavement Rehabilitation Project (PW 22-01) ("Project"), which had a bid opening on July 19, 2022.

The bid protest specifically asserts "the apparent low bidder, Hardy and Harper, Inc. should be rejected on the following protest point . . . their Bid Item #1 is above the 5% maximum of the total bid amount, which is a requirement set forth in the bid documents."

A bid must conform to the material terms of the bid package and its responsiveness must be determined on the face of the bid. Da Silva Gates Construction v. Department of Transportation (2015) 242 Cal.App.4th 1409; Great West Contractors, Inc. v. Irvine Unified School District (2010) 187 Cal.App.4th 1425. Cities have discretion to determine responsiveness and may demand strict compliance with the bid specifications. Taylor Bus Services Inc. v. San Diego Board of Education (1987) 195 Cal.App.3d 1331, 1343.

Here, the City's bid documents (pages I-C-3 to I-C-4) required Bid Item #1 to be a maximum of 5% of the total bid amount. The Bid Item #1 amount of Hardy and Harper, Inc. did not meet this requirement because its total for this bid item was over 7% of its total bid. This nonconformance with the bid package is consequential because it not only affected the amount of the bid and affected the ability to make effective bid comparisons, but it also gave Hardy and Harper, Inc. an advantage over other bidders by affording it the possibility of avoiding its obligation to perform by withdrawing its bid without forfeiting its bid security under Public Contract Code § 5103. Accordingly, the bid of Hardy and Harper, Inc. did not conform to the material terms of the bid documents and is found to be nonresponsive.

For the reason set forth above staff will recommend the City Council award the Project contract to DASH Construction at its regular meeting on Tuesday, September 20, 2022. You may submit any materials concerning this bid protest and the issue of responsiveness on or before Thursday, September 15, 2022 to staff and address the City Council at its September 20, 2022 meeting.



Please contact James Rice at (310) 524-2316 or jrice@elsegundo.org for questions or additional information regarding the Project. We thank you for your interest in the Project and hope that you will continue to monitor the City's website for future contracting opportunities.

Sincerely,

James Rice

Associate Engineer

CC:

Elias Sassoon, Public Works Director Lifan Xu, City Engineer

Joaquin Vazquez, Deputy City Attorney

### BID PROTEST

District Representative:

James Rice, Project Manager 350 Main Street El Segundo, CA 90245

Project:

FY 21/22 Pavement Rehabilitation Project No.: PW 22-01

RE: Bid Protest (DASH Construction Company Inc. Bid Protest of Hardy & Harper, Inc.

Dear Mr. Rice,

Many thanks to the City Clerk for sending us a copy of the bid proposal from Hardy & Harper. Inc., the apparent lowest bidder, for the above referenced project. After careful analysis, we would like to bring a discrepancy in Hardy & Harper, Inc.'s bid proposal to your immediate attention. Specifically, with respect to bid document Item No.1. page: I-C-3, BID SCHEDULE (Attachment A):

Item No. Description: Mobilization/Demobilization. including traffic control; (maximum 5% of total bid). Further, Hardy & Harper. Inc.'s total bid for the items 1 through 10 is \$961,000.00. of which 5% of the total would be: \$ 48.050.00. As you can see the item No. 1 on the bid schedule of, however. Hardy & Harper Inc.'s total for this item is \$73,615.00 which is 7.6% of their total bid. This is a material and economically significant discrepancy and deviation from the requirements listed in the bid documents.

As a representative of DASH Construction Company. Inc. I wish to request a prompt and detailed review of our protest and dispute with respect to Hardy & Harper Inc.'s bid proposal. This bid protest in no way is intended to undermine the good faith effort or reputation of our competitors or clients. However, rules are there for a reason and we have on numerous occasions lost projects because we came in as winning bidder but had committed foot faults that resulted in discrepancies and deviations from the requirement of those projects, and we ultimately had to lose out on the project. As such, we request a fair and equitable review and determination with request to our bid protest and complaint. Many thanks.

Sincerely,

Dariush Shahnavaz

President

Date:

This original letter will be sent by certified mail

#### BID SCHEDULE

## FY 21/22 PAVEMENT REHABILITATION PROJECT PROJECT NO.: PW 22-01

Company Name: Hardy & Harper, Inc.

#### BASE BID ITEMS

| -           | WHITE DELCE STREET   |      |                       |   |   |  |
|-------------|--|------|-----------------------|---|---|--|
| ITEM<br>NO. | DESCRIPTION  | UNIT | ESTIMATED<br>QUANTITY | UNIT PRICE<br>(IN FIGURES)<br>DOLLARS/CENTS | ITEM TOTAL<br>(IN FIGURES)<br>DOLLARS/CENTS |  |
| 1           | Mobilization/ Demobilization including traffic control (maximum 5% of total bid)   | LS   | 1                     | \$ 73,615.00                                | \$73,615.00                                 |  |
| 2           | Grind asphalt 2"   | SF   | 350,000               | 80.35                                       | 15 122,500.m                                |  |
| 3           | Overlay 2"   | SF   | 350,000               | \$0.35                                      | \$ 122,500.00                               |  |
| 4           | Adjust sewer and storm drain manholes to final grade   | EA   | 60                    | \$1,000.00                                  | \$60,000.00                                 |  |
| 5           | Adjust valve covers to final grade   | EA   | 80                    | \$1,000,00                                  | \$60,000,00                                 |  |
| 6           | Remove and replace all<br>traffic striping,<br>pavement markings, and<br>pavement markers  | LS   | 1                     | \$48,000.00                                 | \$48,000.00                                 |  |
| 7           | Install inductive loop<br>conductor and<br>appurtenances at Illinois<br>Street/El Segundo<br>Boulevard intersection  | EA   | 1                     | \$2,675                                     | \$2,675.0                                   |  |
| 8           | Remove and replace<br>existing ADA ramps and<br>adjacent sidewalk that<br>do not comply with<br>current ADA standards<br>at Concord Street/El<br>Segundo Boulevard<br>intersection | EA   | 3                     | \$17,120.00                                 | \$51,360.00                                 |  |
| 9           | Asphalt full depth removal and replacement   | SF   | 10,000                | \$9.25                                      | \$92,500.00                                 |  |

| 10 | Remove and replace raised asphalt rumble strips to match existing. Strips to be 4" wide and 9' long spaced 3' O.C. with 1/4" thickness from top of finished grade of asphalt. Located west of Virginia Street/El Segundo Boulevard intersection. | EA | 10 | \$335.00 | \$3,350 |
|----|--|----|----|----------|---------|
|----|--|----|----|----------|---------|

TOTAL BID FOR ITEMS 1-10 IN FIGURES =

| s 961,000.00                |  |
|-----------------------------|--|
| TOTAL BID WRITTEN IN WORDS: |  |

Nine Hundred Sixty One Thousans Dollars
And Zero Cents