

**DEPARTMENT OF TRANSPORTATION**

DIVISION OF ENGINEERING SERVICES

OFFICE ENGINEER

1727 30th STREET, MS-43

P.O. BOX 168041

SACRAMENTO, CA 95816-8041

PHONE (916) 227-6299

FAX (916) 227-6282

TTY 711

www.dot.ca.gov

*Serious drought.  
Help save water!*

May 2, 2016

Facsimile: (916) 381-1447

Felipe Martin, President  
Martin Brothers Construction.  
8801 Folsom Blvd., Suite 260  
Sacramento, CA 95826

03-0C4714  
03-Yol-16-23.2/23.5  
B.O. 03/30/2016

Dear Mr. Martin:

The Department of Transportation (Caltrans) received a bid from Martin Brothers Construction (Martin Brothers) on the above referenced contract on March 30, 2016. By this letter, Caltrans notifies Martin Brothers that it will not be considered for award of this contract due to a determination that its bid both mathematically and materially unbalanced.

Caltrans performed a bid analysis to determine the significant differences between the Engineer's Estimate of the costs associated with this project and Martin Brothers' bid. The disparity between Martin Brothers' bid and the Engineer's Estimate is related to the following:

1. Contract item 3, Traffic Control System was bid at \$161,000, exceeded the engineer's estimate by 78.9% or \$71,000.
2. Contract item 12, Street Sweeping was bid at \$54,500, exceeded the engineer's estimate by 194.9% or 36,020.
3. Contract item 24, Roadway Excavation, Martin Brothers bid \$64,000 for this item which is 75% percent below the engineer's estimate of \$256,000. Martin Brothers was unable to account for the pricing. As a result, Caltrans's construction staff confirms that this item as bid, is not a reasonable cost for this work.

A mathematically unbalanced bid is a bid containing lump sum or unit bid items that do not reflect reasonable actual costs plus a reasonable proportionate share of the bidder's anticipated profit, overhead costs, and other indirect costs. A materially unbalanced bid is a bid which generates a reasonable doubt that award to the bidder submitting a mathematically unbalanced bid will result in the lowest ultimate cost to the State. The findings related to the bid items listed above generate a reasonable doubt that award to Martin Brothers would result in the lowest ultimate cost to the State.

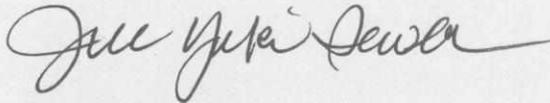
Mr. Martin  
May 2, 2016  
Page 2

As you are aware, Caltrans receives many bids in response to its highway construction needs and strives to ensure the integrity of the competitive bidding process. Based on the item cost listed for Bid Items 3, 12 and 24, it is Caltrans' determination that the bid submitted by Martin Brothers is both mathematically and materially unbalanced, as there is reasonable doubt that Martin Brothers' bid will result in the lowest ultimate cost to the State.

Therefore, it is in the best interest of Caltrans to reject this bid, and award this contract to the next lowest responsible and responsive bidder, provided that all requirements have been met.

If you have any questions, please contact Mulissa Smith, Contract Awards Branch Chief, at (916) 227-6228.

Sincerely,



JILL Y. SEWELL  
Office Chief  
Office Engineer, Construction Contract Awards  
Division of Engineering Services