

DEPARTMENT OF TRANSPORTATION

DIVISION OF ENGINEERING SERVICES

OFFICE ENGINEER, MS 43

1727 30th STREET

SACRAMENTO, CA 95816-8041

PHONE (916) 227-6299

FAX (916) 227-6282

www.dot.ca.gov/hq/esc/oe

*Flex your power!
Be energy efficient!*

November 19, 2013

Facsimile: (209) 523-4927

Ed Berlier, Vice President
George Reed, Inc.
P.O. BOX 4760
Modesto, CA 9535203-1F9104
03-Nev-49-4.3/4.8
B.O. 10/01/2013

Dear Mr. Berlier:

The Department of Transportation (Caltrans) received the attached letter dated October 18, 2013 from George Reed, Inc. (George Reed) protesting the bid submitted by Hansen Bros. Enterprises (Hansen). The protest alleges that Hansen improperly filled out the Subcontractor List form and failed to make a Good Faith Effort to meet the Disadvantaged Business Enterprise (DBE) goal for this contract. George Reed requests that Caltrans find the bid submitted by Hansen nonresponsive and award the contract to George Reed.

Caltrans reviewed the bid documents submitted by Hansen and determined that the bid item total includes the bidder's profit and overhead and there is no correlation between the bid items cost and Column 3 of the Subcontractor List form. The percentage listed in Column 3 is representative of the work to be performed and not the bid item total. In addition, Caltrans does not require a bidder to complete Column 3 on bid day identifying bid items as partial or 100 percent. As such, the bidder did complete its 24-hour Subcontractor List form as required.

The Office of Business and Economic Opportunity, Contract Evaluation Unit (CEU), reviewed the DBE documents, as well as the Good Faith Efforts documentation submitted by Hansen and determined that Hansen did demonstrate a good faith effort to meet the stated 12 percent DBE participation goal for this contract.

Based on the above, Caltrans finds George Reed's protest lacks merit and will proceed to award the contract to Hansen.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John C. McMILLAN".

JOHN C. McMILLAN
Deputy Division Chief
Office Engineer
Division of Engineering Services

Attachment

2013-10-18 08:26

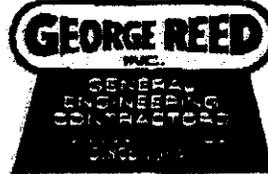
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GMO-CONADMIN

209 523 4313 >>

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MODESTO OFFICE
P.O. BOX 4760, MODESTO, CA 95352
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1-877-823-2305
WWW.GEORGEREED.COM

State Contractor's License No. 211337-A



October 18, 2013

VIA FACSIMILE (916) 227-6282 AND U.S. MAIL.

John McMillan
Deputy Chief
State of California
Department of Transportation
Division of Engineering Services,
Office of Engineer, MS 43
1727 30th Street
Sacramento, CA 95816-8041

Re: Contract No. 03-1F9104
03-Nev-49-4.3/4.8
Bids Opened: October 1, 2013
Bid Protest of Hansen Bros. Enterprises

Dear Mr. McMillan:

Please consider this letter to be a formal protest of the bid submitted by Hansen Bros. Enterprises (Hansen) in connection with Contract No. 03-1F9104. Hansen's bid is nonresponsive and, therefore, must be rejected based on the Department's bidding requirements and strictly enforced policies. Hansen failed to meet the Caltrans DBE Commitment/Good Faith Effort (GFE) as well as improperly filling out the subcontractor listing.

The DBE goal for this project is 12%. Hansen claimed 7% (actual is 7.25%) on their DBE commitment form. Hansen's DBE commitment is short of the goal.

In this case the second and third place bidder's DBE commitment, as per Caltrans procedures, must be considered when looking at the Good Faith Effort of Hansen. In each case the total commitment exceeded the 12% goal.

Hansen had the ability to garner more participation if they had followed their own criteria for work being made available to subcontractors as shown in their GFE paperwork. In their GFE paperwork Hansen showed that they made \$36,706 available to DBE firms performing traffic control (see attachment A page 1 of 5). In their subcontractor listing, as well as their DBE commitment forms, they show KRC Safety Co., Inc. (KRC) as a subcontractor for several items of work. KRC quoted the Traffic Control System as well (see attachment B). On form DES-OE-0102.11A (attachment A page 3 of 5) Hansen's list of rejected firms shows that they are performing this work themselves but does not list KRC as a rejected firm. To affirm that Hansen was aware that they used a partial scope for KRC (which, in itself, is perfectly acceptable) they listed KRC as a rejected firm for the Portable Changeable Message Signs (Sierra Safety was the selected firm) (attachment A page 3 of 5).

They also failed to complete a GFE in their explanation of rejecting ABSL for AC Grinding. Hansen's reason for rejecting ABSL is that the price was \$600 higher than the selected firm (Anrak was the selected firm) (attachment A page 3 of 5). In comparing the quotes that George Reed, Inc. (GRI) received quotes from both Anrak and ABSL (attachments C and D) and the quote for the High HP grinder equated to only an additional \$50. ABSL's price per shift for this grinder is \$4,200 plus a \$200 mobilization (\$100 each way) where Anrak is \$4,200 per shift plus a \$150 mobilization.

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Re: Contract No. 03-1F9104
03-Nev-49-4,3/4,8
Bids Opened: October 1, 2013
Bid Protest of Hansen Bros. Enterprises

In reviewing the solicitation log for Hansen (attachment E), it is noted that Hansen received a quote from Frank Medina General Engineering for both roadside signs and construction area signs but there is no mention of them in rejected DBE firms list on form DES-OE-0102.11A (section 3). Knowing that Hansen did not show Frank Medina General Engineering as a rejected firm brings into question whether or not other DBE quotes were received but not listed as well.

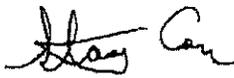
On this project GRI had KRC being used for \$12,500 for traffic control system and had ABSL listed for \$11,800 for AC grinding. Although this isn't necessarily how Hansen figured the project it does show that there were many more dollars available to them for DBE participation. By not using these available firms in this project Hansen shows that they did not complete a true Good Faith Effort.

In addition to the lack of a GFE, GRI also takes issue with Hansen's subcontractor listing (attachment G). On the 24 hour subcontractor listing form Hansen lists in column 3 a percentage that appears to attempt to represent the entire scope of work for each sub. By doing so Hansen opens up the possibility for bid shopping on individual bid items. The intent of this form is to identify each bid item and the amount (portion) subcontracted. This has been Caltrans' interpretation in the recent past. Please see the attached worksheet (attachment F) for the questionable listing for several of the subcontractors and how the percentage of the bid items cannot be reconciled back to a single percentage.

Because Hansen failed to complete a Good Faith Effort and improperly filled out the Subcontractor Listing, we respectfully request that the Department uphold George Reed, Inc.'s protest and award the contract to our company which submitted the lowest responsive bid for contract 03-1F9104.

Thank you for your attention to this matter and please feel free to contact me if you have any questions.

Sincerely,



Stacy Case
Chief Estimator

Attachments: A through G

**** Transmit Conf. Report ****

P. 1

Nov 19 2013 04:16pm

CALTRANS CONTR AWARDS Fax 916-227-6282

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
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JOHN C. McMILLAN
Deputy Division Chief
Office Engineer
Division of Engineering Services

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