



**CALPORTLAND**  
CONSTRUCTION

1625 E. Donovan Road, Santa Maria, CA 93454  
P. O. Box 1280, Santa Maria, CA 93456  
Phone: (805) 345-3581 Fax: (805) 345-3538  
Contractor's License #523019

February 9, 2012

California Department of Transportation  
Division of Engineering Services  
Office Engineer  
1727 30<sup>th</sup> Street  
P.O. Box 168041  
Sacramento, CA 95816-8041

Attention: Loren C. Newell

Re: Contract Number 06-0N2304  
Bids Opened: January 31<sup>st</sup>, 2012  
Bid Protest of Legg, Inc.

Dear Ms. Newell,

CalPortland Construction hereby protests the award of the above mentioned project to Legg, Inc. (Legg) due to errors with their bid documents.

After reviewing the final bid summary, it became apparent that Legg's proposal has major errors. The most blatant error is the unbalanced Data Core pricing, followed by listing a DVBE firm that is knowingly brokering out the work and not self performing it.

**Unbalanced Data Core Pricing**

Upon further investigation of the bid summary, it is apparent that Legg's price for Data Cores is unbalanced compared to the seven other proposals turned in. It states in the Caltrans May 2006 Standard Specification Section 2-1.10 Disqualification of Bidders, that "Proposals in which the prices obviously are unbalanced may be rejected." The following is a by-company comparison for the price of the Data Cores:

Company	Bid Price	Percent that Legg is out of Balance	Dollar Amount that Legg is higher
Bowman	\$5,330.00	469.0%	\$19,670.00
<b>Legg</b>	<b>\$25,000.00</b>	<b>N/A</b>	<b>N/A</b>
CalPortland	\$1,700.00	1,470.6%	\$23,300.00
Papich	\$2,200.00	1,136.4%	\$22,800.00
W. Jaxon Baker	\$1,400.00	1,785.7%	\$23,600.00
Granite	\$3,000.00	833.3%	\$22,000.00
Griffith	\$4,500.00	555.6%	\$20,500.00
Dreambuilder	\$4,000.00	625.0%	\$21,000.00

As you can see from the data above, Legg has negligently priced out the cost of the Data Cores at a significantly higher price than the rest of the competition. As you are aware, this gross negligence impacts Caltrans and the tax payers in the State of California.

It should also be mentioned that because of Legg's inflated Data Core price, this allowed them to meet their DVBE goal. If their Data Core price was anywhere near the rest of the competition, they wouldn't have met the goal of 6%, and would subsequently have been deemed non-responsive. It should also be noted that Legg did not provide subcontractor quotes along with their DVBE submittal. This is a typical practice so that general contractors can see the line item prices associated with each portion of work to be performed by that subcontractor. Not providing the subcontractor quotes may be seen as an unfair advantage.

#### Brokering Out Work

Legg listed LML Enterprises, Inc. (LML) as their DVBE subcontractor to perform 100% of bid items 3 (Construction Area Signs), 7 (Cold Plane Asphalt Concrete Pavement), 11 (Data Core), and 12 (Place Hot Mix Asphalt-Miscellaneous Area). It is not typical for one company to perform all of the above portions of work. If you research LML on BidSync.com, you will find that they do not specialize in any of the above mentioned portions of work. Some "Keywords" that come up when researching LML are Painting, Wallpapering, Caulking and Waterproofing. Upon contacting an LML representative, and asking if they do Data Cores or Cold Planing, the representative said that, "He has someone he can call to do the work." It became obvious that LML is not self performing the actual work, but in-fact brokering it out. This goes against the whole idea behind performing a good faith effort to help Disabled Veteran Business Enterprises. To reiterate, the addition of LML performing the above mentioned items of work, allowed them to meet the DVBE goal of 6%. If you do not count LML's participation, they would acquire less than half of the required amount.

#### Conclusion

Legg negligently provided an unbalanced price for the Data Cores which clearly goes against Caltrans 2006 Standard Specification Section 2-1.10. They also listed a subcontractor to perform 100% of the work for bid items 3,7,11, and 12, when in-fact the subcontractor brokers out the work. Any one of the two errors by Legg should be more than enough to declare them non-responsive for the above mentioned contract.

CalPortland Construction requests that Caltrans adhere to the strict guidelines that are put forth for fair and competitive bidding purposes, and would like to conclude that Legg's bid is non-responsive and not eligible for award.

Sincerely,  
CalPortland Construction

  
Wes Nanasy  
Assistant Project Manager



**CALPORTLAND**

**Cal Portland Construction  
1625 East Donovan Road  
Santa Maria, CA 93454**

# Facsimile

**COMPANY: Caltrans - Division of Engineering Services**

**TO: Loren C. Newell**

**Number of pages including cover page: 3**

**Fax Number: (916) 227-6282**

**Subject: Bid Protest - Project No. 06-0N2304**

For Approval

For Your Review

Reply ASAP

Please Comment

Ms. Newell,

Please see the attached Bid Protest for Caltrans Project No. 06-0N2304.

Regards,

Wes Nanasy  
Assistant Project Manager  
CalPortland Construction

**Original to follow by mail**

**Yes X**

**No**

**From: Wes Nanasy**

**P.O. Box 1280 Santa Maria, CA. 93456**

**Call Phone: (805) 868-8882 Fax: (805) 345-3538**

**E-mail: wnanasy@calportland.com**