



**Martin Brothers
Construction**

Contractors License 726454

May 3, 2016

Ms. Jill Y. Sewell
Department of Transportation
Division of Engineering Services
Office Engineer
1727 30th Street, MS-43
P.O. Box 168041
Sacramento, CA 95816

CONTRACT NO. 03-0C4714. 03-Yol-16-23.2/23.5

Reference: Rejection of Bid

Dear Ms. Sewell,

We are in receipt of your letter dated May 2, 2016 notifying Martin Brothers Construction (MBC) that the Department of Transportation (Caltrans) was rejecting MBC bid due to Caltrans determining that MBC's bid was both mathematically and materially unbalanced. We respectfully disagree with Caltrans determination and offer the following.

1. Contract Item 3, Traffic Control System was bid at \$161,000.00 and while it may have exceeded the engineer's estimate it was in line with the 3rd, 4th and 5th bidder. You take the average price of the 3rd, 4th and 5th bidder and it comes to \$176,698.00. Our price was actually below the average price of those three bidders. The only bidder that was not in line with the pricing on Contract item 3 was the 2nd bidder and they were 160% lower than the average of the other 3 bidders. Our price is not mathematically nor materially unbalanced.
2. Contract item 12, street sweeping was bid at \$54,500.00 and while it may have exceeded the engineer's estimate it was in line with the fourth bidder who's bid was \$55,000.00. Attached you will find our bid breakdown detail for item 12 reflecting our estimated cost for the work. You add job specific overhead, home office overhead, profit and bond to the price and we are at \$54,500.00.
3. Contract item 24, Roadway Excavation was bid at \$64,000 and while it is below the engineer's estimate it was not mathematically nor materially unbalanced. There is no consistency from any of the bidders. The only bidder that is close to the engineer's

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estimate is bidder number 4 who is still below the engineers estimate. The Caltrans correspondence states " *Martin Brothers was unable to account for pricing.*" We believe that statement to be inaccurate as MBC can account for its cost. Attached you will find our bid summary for this item.

We are unclear how our bid for the project would result in anything less than the lowest ultimate cost to the state as Martin Brothers is the lowest responsive responsible bid. Based on all of the above information, all of our lump sum items reflect a reasonable cost regardless of the fact that they are not in line with the engineers estimate. We request the contract be awarded to Martin Brothers as the lowest responsive responsible bidder.

Martin Brothers would like to point out that the 2nd bidders pricing for item 32 is not in line with any of the other 4 bidders and is \$93,000.00 higher or 22.8% higher than the 5th and highest bidder and 46.4% higher than the low bidder. MBC believes that this is a material unbalancing of the bid that would result in higher ultimate cost to the State.

Once again we respectfully request the contract be awarded to Martin Brothers as the lowest responsive responsible bidder.

Sincerely,

Felipe Martin
President/CEO

CC: FM, File