Specialty Construction Inc.

February 14, 2012

Via Email

Dave Flynn, Deputy Director
County of San Luis Obispo
Department of Public Works
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Reconsideration Panel Members
Dave O'Halloran; dohalloran@co.slo.ca.us
John Diodati; jdiodati@co.slo.ca.us
Barbara Lynch; blynch@slocity.org

Re: Bridge Widening on Price Canyon near Edna, CA
HP21L-5949(126), BHL5949(062), BHL5949(063)

Subject: Reconsideration Review

Dear Panel Members,

As you conduct your final review and meeting I would like to communicate one last time the major components from our perspective. Even at the risk of over communicating, we are sending this letter as this bid analysis moves through the process. I want to ensure that we've clearly communicated step by step.

I respectfully ask that you consider the following points.

1. SCI has a long history of commitment to minority inclusion and advancement as evidenced; by our own staff being 43% native American, African American, Hispanic and women, 25% when Hispanic is not included, recent SBA approval of a mentor protégé' Agreement with a women owned minority construction company, and working as a sub-contractor to several minority firms over the past 8 years assisting them in successfully achieving their business plans.

2. Bona Fide effort does not require perfection. If specific requirements were expected, for example such as specific web site queries, these should have been clearly noted in the bid documents, but they were not.

3. The numbers of man hours SCI devoted to the GFE process at approximately 20% of total bid effort hours is much greater than 3% goal.

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4. In the initial analysis there were only two items out of nine that were considered insufficient, numerically that is a 78% which is passing. In the reconsideration meeting the committee spent little time discussing SCI's response letter of January 27, 2012 and instead focused on a couple of smaller technical items. The two insufficient items were addressed thoroughly and adequately in our letter, enough so that the reconsideration committee should deem them to be sufficient or at worst case marginal. This would leave no insufficiencies of the nine evaluation items which should lead to a finding for a sufficient GFE.

5. The difference between SCI and Souza's bid is $13,795.98 or .4 %. And while not discussed openly, subconsciously this small difference may have influenced the initial review approach unknowingly. Although it should not be a factor at all, had the difference been $100,000 for example, there may have been a much different influence.

6. In considering GFE comparison with the other bidders, SCI self performs its GFE solicitation and does not out source its contact like the other two bidders did for $90.00 by outsourcing to UDBE solicitation service. On this project the other bidders had to meet the goal as their GFE could be questionable.

7. SCI did meet over 75% of the goal at bid time and this would not have been possible without a bona fide GFE process.

8. The GFE determination is an imperfect process based on subjective evaluative opinion, with the benefit of virtually unlimited time contrary to the actual bid process and bid day environment, completely contrary to the goal of Public Contract Code which is to ensure fairness and objective factors for all bidders.

9. SCI used a very focused effective outreach designed to target companies that would be geographically located to provide real meaningful competitive bids.

10. "How good does good have to be?" If the County doesn't find SCI's GFE sufficient after the reconsideration process, then the County is setting a level of effort that is not realistically attainable and is setting the precedent that while not required in the bid documents, contractors must meet the goal.

11. We have been awarded four projects based on findings of sufficient GFE and have never had our GFE found insufficient.

12. It is important to understand that GFE submittal, Owner review and compliance is mandatory for acceptance, even when 2nd & 3rd low bidders do not attain the goal.

13. SCI has never had a good faith effort found insufficient. Specialty used the same process, same people and same methods on this project as we used in

our previous four projects over the past year that were all awarded based on findings that our GFE was sufficient.

14. There was the comment made that all the other bidders met the goal and this is the first project where the low bidder had not met the goal. 49 CFR 26 Appendix A item III states "*The Department strongly cautions you against requiring that a bidder meet a contract goal (i.e. obtain a specified amount of DBE participation) in order to be awarded a contract, even though the bidder makes adequate good faith efforts showing. This rule specifically prohibits you form ignoring bona fide good faith efforts.*"

In closing, SCI asserts that its efforts are bona fide and therefore our good faith efforts should be found sufficient.

We sincerely thank you again for your time and efforts in this reconsideration process.

Respectfully,

SPECIALTY CONSTRUCTION, INC.

Rudolph C. Bachmann
President

C: DC, JM, TS

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