

State License #A, C-39 781499 SBE: 1760522

Your Friend in the Roofing Industry Since 1989

January 29, 2020

Via Email (mearle@portofsandiego.org) and Hand Delivery

Mr. Matt Earle, Chief Procurement Officer Procurement Services Department, Port of San Diego 1400 Tidelands Avenue National City, California 91950

Re: Bid Protest Re Maintenance Repairs At Various Seaport Village Buildings, San Diego, California; Specification No. 2019-17; Project No. MC-0072-01/02

Dear Mr. Earle,

After review of the bids with respect to the Maintenance Repairs At Various Seaport Village Buildings, San Diego, California; Specification No. 2019-17; Project No. MC-0072-01/02 (hereinafter "Project"), Commercial Waterproofing Systems, Inc. dba ERC Roofing and Waterproofing (hereinafter "ERC") hereby protests the bids submitted by Urban Corps of San Diego County (hereinafter "Urban") and TL Veterans Construction, Inc. (hereinafter "TLVC"), pursuant to the Instruction to Bidders, Article 4.2, section 4.2.3.1, et al., for lack of proper licensing by Urban and TLVC, which deficiencies make said bids non-responsive and/or said contractors non-responsible.

# Urban Corps of San Diego County

Urban lists Ruttkay Development Corp. (hereinafter "Ruttkay") as a 1<sup>st</sup> tier subcontractor to perform the "Installation of Asphalt Shingles Roof System and Painting." (See Exhibit A, Urban's Subparticipation Form.) Ruttkay holds a "B-General Building Contractor[s]" license, only. (See Exhibit B, CSLB Contractor's License Detail.) As such, Ruttkay may not properly perform work requiring a specialty license, only.

Under California Business & Professions Code § 7057(b):

"A general building contractor shall not take a subcontract involving trades other than framing or carpentry, unless the subcontract requires at least two unrelated trades or crafts other than framing or carpentry, or unless the general building contractor holds the appropriate license classification. The general building contractor shall not count framing or carpentry in calculating the two unrelated trades necessary in order for the general building contractor to be able to take a ... subcontract for a project involving other trades."



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Here, Ruttkay does not hold a C-39 specialty license to perform asphalt roofing shingles, nor does Ruttkay hold a C-33 specialty license to perform painting. Further, because Ruttkay is <u>not</u> performing carpentry or framing work on the project, Ruttkay may not properly perform roofing and painting work, as two unrelated crafts other than framing or carpentry. Because Ruttkay, listed in Urban's bid, is not properly licensed to perform roofing and painting, Urban's bid is non-responsive and/or is non-responsible, under the law and, therefore, its bid should be rejected.

# TL Veterans Construction, Inc.

TLVC's bid suffers from a similar defect, in that its bid identifies no subcontractors at all. (See Exhibit C, TLVC's Subparticipation Form.) That is, though TLVC holds a B-General Building Contractor's license and a C-33 specialty license for painting, unfortunately for TLVC, because the Project does <u>not</u> include framing or carpentry, TLVC may not properly perform other unrelated trades or crafts. (See Exhibit D, TLVC's Contractor's License Detail.) Stated another way, because the project does not include framing or carpentry, TLVC is not properly licensed to perform roofing work (which requires a C-39 license) or asbestos abatement work (which requires a C-22 license).

Again, as noted above, under California Business & Professions Code, §7057(b), "The general building contractor shall not count framing or carpentry in calculating the two unrelated trades necessary in order for the general building contractor to be able to take a prime contract ... for a project involving other trades." TLVC cannot take the subject contract, as a B-General Building Contractor, because it is not performing framing or carpentry and two unrelated trades. Thus, like Urban, TLVC is not properly licensed to perform roofing, or asbestos removal – all of which it apparently intends to self-perform. As such, TLVC is a non-responsible contractor and/or its bid is non-responsive, under the law.

Importantly, and relative to both Urban and TLVC, "*a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter <u>shall be considered nonresponsive and shall be rejected by the public agency</u>." See California Business & Professions Code § 7028.15.* 

# Commercial Waterproofing Systems, Inc. dba ERC Roofing and Waterproofing

ERC's bid, on the other hand, is proper, as its Subparticipation Form identifies properly licensed subcontractors for the requisite scope of work. (See Exhibit E, ERC's Subparticipation Form.) Specifically, ERC lists Alliance Contracting Services, Inc. to perform asbestos demolition/removal (see Exhibit F, Alliance's Contractor's License Detail), and ERC lists MC Painting to perform painting (see Exhibit G, MC Painting's



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Contractor's License Detail). Of course, ERC holds a C-39 specialty license, and thus self-performs the roofing work. (See Exhibit H, ERC's Contractor's License Detail.)

In *Ghilotti Construction Co. v. City of Richmond* (1996) 45 Cal.App.4th 897, the California court of appeal stated that:

"Because of the potential for abuse arising from deviations from strict adherence to standards which promote . . . public benefits, the letting of public contracts universally receives close judicial scrutiny and contracts awarded without strict compliance with bidding requirements will be set aside. This preventative approach is applied even where it is certain there was in fact no corruption or adverse effect upon the bidding process, and the deviations would save the entity money." *Ghilotti Construction Co. v. City of Richmond* (1996) 45 Cal.App.4th 897, 907.

"These considerations must be evaluated from a practical rather than a hypothetical standpoint, with reference to the factual circumstances of the case. They must also be viewed in light of the public interest, rather than the private interest of a disappointed bidder." *Id.* at 908.

The public interest in proper licensure is so paramount that not only would Urban and TLVC be precluded from pursuing any action to recover monies for any work unpaid by the Port of San Diego, but the Port of San Diego could seek to have any and all money paid to Urban or TLVC, if either were awarded the contract, disgorged, as noted by the appellate court in *Loranger v. Jones* (2010) 184 Cal.App.4th 847, 854 [109 Cal.Rptr.3d 120], as follows:

"To protect the public, the Contractors' State License Law (CSLL; Bus. & Prof. Code, § 7000 et seq.) imposes strict and harsh penalties for a contractor's failure to maintain proper licensure. Among other things, the CSLL states a general rule that, regardless of the merits of the claim, a contractor may not maintain any action, legal or equitable, to recover compensation for 'the performance of any act or contract' unless he or she was duly licensed 'at all times during the performance of that act or contract." (MW Erectors, Inc. v. Niederhauser Ornamental & Metal Works Co., Inc. (2005) 36 Cal.4th 412, 418 [30 Cal. Rptr. 3d 755, 115 P.3d 41], fn. omitted, quoting § 7031, subd. (a); accord, Hydrotech Systems, Ltd. v. Oasis Waterpark (1991) 52 Cal.3d 988, 994-997 [277 Cal. Rptr. 517, 803] P.2d 370].) This has been referred to as the "shield" of the Contractors' State License Law (CSLL; § 7000 et seq.). (White v. Cridlebaugh (2009) 178 Cal.App.4th 506, 518 [100 Cal. Rptr. 3d 434].) The CSLL also contains a "sword" in subdivision (b) of section 7031. (White v. Cridlebaugh, supra, at p. 519.) Section 7031, subdivision (b), authorizes a person who utilizes

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the services of an unlicensed contractor to bring an action to recover all compensation paid to the contractor for his/her work. (*White v. Cridlebaugh, supra*, at pp. 520–521 [§ 7031, *subd. (b) requires unlicensed contractors "to return all compensation received without reductions or offsets for the value of material or services provided*"].) [emphasis added.]

The point being, and setting aside the fact that a public entity must consider a bid submitted by an non-licensed or improperly licensed contractor as nonresponsive and reject any such bid (see *Business & Professions Code* § 7028.15, *supra*), it would be unfair to Urban and TVLC to award the contract to either, as the Port of San Diego could seek to disgorge all monies paid to either, in light of the absence of proper licensure by Urban and TVLC, not to mention the Project involves asbestos removal and the public interest is best served by using a contractor, ERC in this case, that listed a specialty contractor with the proper license to demolish, encapsulate, and remove asbestos.

Based on the foregoing, ERC requests that Urban and TLVC be disqualified under the bid requirements for the Project for improper licensure, and that ERC be awarded the Project. Simply stated, except for ERC, the bidders do not possess the proper licensing and, as such, their bids are non-responsive and/or they are non-responsible.

The non-responsive/non-responsible bidders are copied on this letter, as required under the section 4.2.3.2.4 of the Instruction to Bidders.

To the extent you do not agree with ERC's protest, ERC formally requests by this protest letter a complete copy of each Bid Package from Urban and TLVC.

Thank you for your time and consideration in this matter.

Respectfully Submitted,

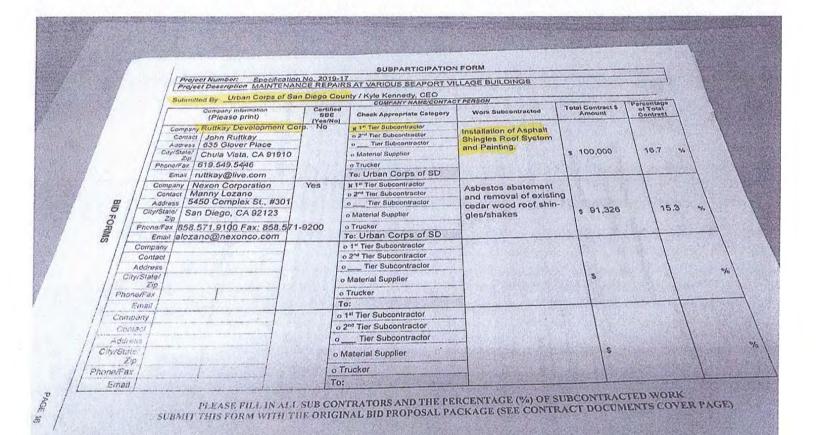
Matt Maciha (Attorney-in-fact for Garrett Clark, ERC President)

cc: via e-mail and U.S. Mail to:

| Urban Corps of San Diego County | TL Veterans Construction, Inc. |  |  |
|---------------------------------|--------------------------------|--|--|
| 3127 Jefferson Street           | 520 S LaFayette Park Pl #101   |  |  |
| San Diego, CA 92110             | Los Angeles, CA 90057          |  |  |
| kkennedy@urbancorps.org         | theodore.lee@tlveterans.com    |  |  |

Enclosures: Exhibits A through H

# Exhibit A



# Exhibit B

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# Contractor's License Detail for License # 940101

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) if this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/28/2020 3:41:28 PM

### **Business Information**

RUTTKAY DEVELOPMENT CORPORATION 635 GLOVER PLACE CHULA VISTA, CA 91910 Business Phone Number:(619) 549-5446

> Entity Corporation Issue Date 11/17/2009 Expire Date 11/30/2021

> > License Status

This license is current and active.

All information below should be reviewed.

Classifications

B - GENERAL BUILDING CONTRACTOR

#### **Bonding Information**

#### **Contractor's Bond**

This license filed a Contractor's Bond with BUSINESS ALLIANCE INSURANCE COMPANY. Bond Number: G81031249749 Bond Amount: \$15,000 Effective Date: 11/11/2018 Contractor's Bond History

#### Bond of Qualifying Individual

The qualifying individual JOHN METZ RUTTKAY certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required. Effective Date: 11/17/2009

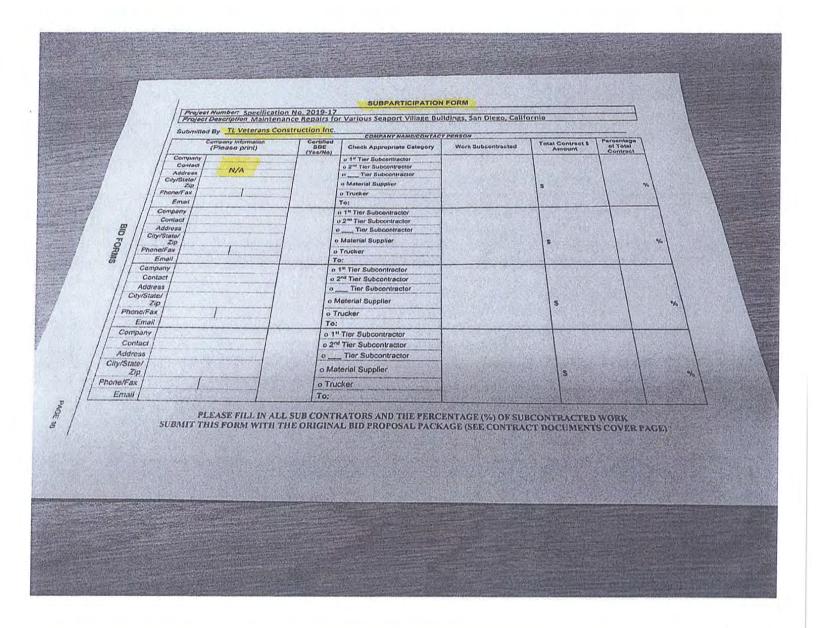
### Workers' Compensation

This license has workers compensation insurance with the NORGUARD INSURANCE COMPANY Policy Number: JOWC097584 Effective Date: 02/15/2019 Expire Date: 02/15/2020 Workers' Compensation History

### Other

Personnel listed on this license (current or disassociated) are listed on other licenses.

Exhibit C



# Exhibit D



# Contractor's License Detail for License # 1000483

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (8&P 1124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- > Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/28/2020 5:43:59 PM

### **Business Information**

T L VETERANS CONSTRUCTION INC 520 S LA FAYETTE PARK PL #101 LOS ANGELES, CA 90057 Business Phone Number:(213) 325-2725

> Entity Corporation Issue Date 01/23/2015 Expire Date 01/31/2021

> > License Status

This license is current and active.

All information below should be reviewed.

#### **Additional Status**

Probationary license issued pursuant to Business and Professions Code Section 7073(e).

## Classifications

- ▶ B GENERAL BUILDING CONTRACTOR
- ▶ C33 PAINTING AND DECORATING
- ► C20 WARM-AIR HEATING, VENTILATING AND AIR-CONDITIONING

### **Bonding Information**

## Contractor's Bond

This license filed a Contractor's Bond with WESCO INSURANCE COMPANY. Bond Number: 04WB058600 Bond Amount: \$15,000 Effective Date: 01/01/2016 Contractor's Bond History

## Bond of Qualifying Individual

- This license filed Bond of Qualifying Individual number 100308317 for ASHLEY HYUN-JOO CHO in the amount of \$12,500 with AMERICAN CONTRACTORS INDEMNITY COMPANY.
   Effective Date: 04/19/2016
   BQI's Bond History
- This license filed Band of Qualifying Individual number 30038433 for JOO YOUNG JUNG in the amount of \$12,500 with HUDSON INSURANCE COMPANY. Effective Date: 09/09/2019

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# Exhibit E

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|  | umber: 2019-17   |                              |  |                    |                             |                                    |
|--|--|------------------------------|--|--------------------|-----------------------------|------------------------------------|
|  |  | epairs at Va                 | rious Seaport Village Buildings                      |                    |                             |                                    |
|  |  |                              |  |                    |                             |                                    |
| Submitted  | By:  | ning system                  | ns, Inc. dba ERC Roofing & Wa<br>COMPANY NAME/CONTAC | terprooning        |                             |                                    |
| Company Information<br>(Please print)  |  | Certified<br>SBE<br>(Yes/No) | Check Appropriate Category                           | Work Subcontracted | Total Contract \$<br>Amount | Percentage<br>of Total<br>Contract |
| Company  | Alliance Contracting Services, Inc.  | (100.110/                    | • 1 <sup>st</sup> Tier Subcontractor                 |                    |                             | oonador                            |
| Contact  | Omar Garido  |                              | o 2 <sup>nd</sup> Tier Subcontractor                 |                    | \$ 300,000.00               | 20 %                               |
| Address  | 29334 Pacific Street   |                              | o Tier Subcontractor                                 | Demo and Abatement |                             |                                    |
| City/State/<br>Zip   | Hayward, CA 94544  |                              | o Material Supplier                                  |                    |                             |                                    |
| Phone/Fax  | and a final state of the second state of the s |                              | o Trucker  |                    |                             |                                    |
| Email  | rooftear@sbcglobal.net   |                              | To: ERC Roofing & Waterproofing                      |                    |                             |                                    |
| Company  | MC Painting  |                              | s 1st Tier Subcontractor                             |                    |                             |                                    |
| Contact  | Ben Martinez   |                              | o 2 <sup>nd</sup> Tier Subcontractor                 | Painting           | \$ 627,000.00               |                                    |
| Address  | 504 Jones Road   |                              | o Tier Subcontractor                                 |                    |                             | 40 %                               |
| City/State/<br>Zip   | Oceanside, CA 92058  |                              | o Material Supplier                                  |                    |                             |                                    |
|  | (760) 599-8000 / 90)599-8775   |                              | o Trucker  |                    |                             |                                    |
| the second secon | bmartinez@mc-painting.com  |                              | To:ERC Roofing & Waterproofing                       |                    |                             |                                    |
| The second is not a fight which is not the   | American Scaffold  |                              | o 1st Tier Subcontractor                             |                    |                             |                                    |
| Contact  | Abel Mora  |                              | 2 <sup>nd</sup> Tier Subcontractor                   |                    | \$ 7,500.00                 | 0.5 %                              |
| Address  | 3210 Commercial St.  |                              | o Tier Subcontractor                                 |                    |                             |                                    |
| City/State/<br>Zip   | San Diego, CA 92113  |                              | o Material Supplier                                  | Scaffold           |                             |                                    |
|  | (619) 231-4898 / (619) 231-4930  |                              | o Trucker  |                    |                             |                                    |
| Email  | amora@amscaff.com  |                              | To: MC Painting                                      |                    |                             |                                    |
| Company  |  |                              | o 1 <sup>st</sup> Tier Subcontractor                 |                    |                             |                                    |
| Contact  |  |                              | o 2 <sup>nd</sup> Tier Subcontractor                 |                    | \$                          | %                                  |
| Address  |  |                              | o Tier Subcontractor                                 |                    |                             |                                    |
| City/State/<br>Zip   |  |                              | o Material Supplier                                  |                    |                             |                                    |
| Phone/Fax  |  |                              | o Trucker  |                    |                             |                                    |
| Email  |  |                              | To:  |                    |                             |                                    |

PLEASE FILL IN ALL SUB CONTRATORS AND THE PERCENTAGE (%) OF SUBCONTRACTED WORK SUBMIT THIS FORM WITH THE ORIGINAL BID PROPOSAL PACKAGE (SEE CONTRACT DOCUMENTS COVER PAGE)

# Exhibit F

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# Contractor's License Detail for License # 948348

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

> Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/28/2020 6:19:21 PM

### **Business Information**

ALLIANCE CONTRACTING SERVICES INC 29334 PACIFIC STREET HAYWARD, CA 94544 Business Phone Number:(510) 264-9900

> Entity Corporation Issue Date 06/05/2010 Expire Date 06/30/2020

> > License Status

This license is current and active.

All information below should be reviewed.

Classifications

- B GENERAL BUILDING CONTRACTOR
- C39 ROOFING

C22 - ASBESTOS ABATEMENT (Check DOSH Asbestos Registration)

#### Certifications

ASB - ASBESTOS (Check DOSH Asbestos Registration)

## **Bonding Information**

#### **Contractor's Bond**

This license filed a Contractor's Bond with STATE NATIONAL INSURANCE COMPANY INC. Bond Number: SWI04946 Bond Amount: \$15,000 Effective Date: 05/20/2018 Contractor's Bond History

## Bond of Qualifying Individual

The qualifying individual OMAR CUEVAS GARRIDO certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required. Effective Date: 08/21/2015 BQI's Bond History

Workers' Compensation

# Exhibit G



# Contractor's License Detail for License # 695478

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- ▶ Per B&P 7071.17 , only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/28/2020 6:17:34 PM

**Business Information** 

# M C PAINTING

504 JONES RD OCEANSIDE, CA 92058 Business Phone Number:(760) 599-8000

> Entity Corporation Issue Date 08/31/1994 Reissue Date 03/24/2000 Expire Date 03/31/2020

> > License Status

This license is current and active.

All information below should be reviewed.

### Classifications

C33 - PAINTING AND DECORATING

#### **Bonding Information**

#### **Contractor's Bond**

This license filed a Contractor's Bond with AMERICAN CONTRACTORS INDEMNITY COMPANY. Bond Number: SC6069929 Bond Amount: \$15,000 Effective Date: 01/01/2016 Contractor's Bond History

### **Bond of Qualifying Individual**

The qualifying individual MICHAEL CHRISTIAN LEWIS certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required. Effective Date: 03/24/2000

### Workers' Compensation

This license has workers compensation insurance with the ZURICH AMERICAN INSURANCE COMPANY
Policy Number:WC7604705
Effective Date: 06/01/2019
Expire Date: 06/01/2020
Workers' Compensation History

#### Miscellaneous Information

03/24/2000 - LICENSE REISSUED TO ANOTHER ENTITY

# Exhibit H

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# Contractor's License Detail for License # 781499

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

> Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/28/2020 6:28:25 PM

### **Business Information**

#### COMMERCIAL WATERPROOFING SYSTEMS INC DBA ERC ROOFING AND WATERPROOFING

1630 PALM STREET SANTA ANA, CA 92701 Business Phone Number:(714) 667-6000

> Entity Corporation Issue Date 07/12/2000 Expire Date 07/31/2020

> > License Status

This license is current and active.

All information below should be reviewed.

#### Classifications

C39 - ROOFING

- ▶ A GENERAL ENGINEERING CONTRACTOR
- B · GENERAL BUILDING CONTRACTOR

## **Bonding Information**

#### Contractor's Bond

This license filed a Contractor's Bond with SURETEC INDEMNITY COMPANY. Bond Number: 5162644 Bond Amount: \$15,000 Effective Date: 01/01/2016 Contractor's Bond History

### **Bond of Qualifying Individual**

- The qualifying individual GARRETT ROBERT CLARK certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.
   Effective Date: 11/21/2016
   BQI's Bond History
- This license filed Bond of Qualifying Individual number 04WB104310 for ERIC JOHN SPINK in the amount of \$12,500 with WESCO INSURANCE COMPANY.
   Effective Date: 07/31/2019
   BQI's Bond History