

May 11, 2015

MAY 1 3 2015

PURCHASING

Matt Bauer Procurement Administrator 20 East Main Street, Suite 400 PO Box 1466 Mesa, Arizona 85211-14

Re: City of Mesa Bid #2015198 Protest

Dear Mr. Bauer,

Graffiti Protective Coatings, Inc. (GPC) is protesting the award of Bid #2015198 for Graffiti Abatement Services to Woods Maintenance Services, Inc. (Woods). The basis of the protest is that Woods' bid is too far below cost. Woods' pricing is likely the result of an out of state contractor with no knowledge of the City of Mesa or the true scope of the bid requirements and is simply trying to undercut past bid results. The bid price by Woods renders their bid not responsible.

In June of 2010, Woods bid on Bid #2010161 Graffiti Abatement Services for the City of Mesa. Woods' price was \$592,500 (page 2 of the attachment). The scope of the 2010 bid was nearly identical to the 2015 bid with exception that in 2010, the bid was for only 750,000 square feet of graffiti removal, while the bid in 2015 was for 1,000,000 square feet of graffiti removal (page 1 of the attachment). Below is a summary of the bids submitted by Woods:

Year 2010 for 750,000 sqft at a total cost \$592,500 (approx. \$0.79 per sqft)

Year 2015 for 1,000,000 sqft at a total cost \$167,000 (approx. \$0.167 per sqft)

UNIT PRICE REDUCTION FROM 2010 TO 2015 IS 79%

No one has a better understanding of the costs associated with the Graffiti Abatement Services project for Mesa than GPC, as GPC has performed this work for the past five years. When GPC originally bid the job in 2010, the City had a very serious graffiti problem and the size of the removals were quite large. Over time, due to the success of the program, the size of removals became greatly decreased. Every year the average removal gets smaller and smaller. In Calendar Year 2014, 16,243 of the 22,008 work orders were 10 square feet or less, with an



average of 4.2 square feet per removal. Based on Woods' pricing, approximately 8 out of their 10 jobs would be for \$0.70. Factor the staffing and fuel requirements to meet the strict response time limits in the contract scope, for a City that covers 136 square miles, in addition to the requirement for 100% acrylic paint, and numbers simply do not add up.

The City, in its Intent to Award notice, is seeking to make GPC the "secondary" contractor. In 2010, when GPC was awarded the graffiti abatement contract, there was no "secondary" contractor. It appears the City is requesting GPC to perform work on an on-call basis when Woods does not meet the City's expectations on specific job(s). There are two problems with this. First, within the City's Intent to Award notice, the contract Not-To-Exceed amount is for Woods' bid amount of \$167,000. GPC submitted a legitimate price for a top flight quality job and GPC would not be willing to perform the work at Woods' prices.

Secondly, the City is asking GPC to integrate with Woods performing jobs on-call for tasks they are either unwilling or unable to perform. GPC refuses to bail out Woods in any manner as GPC finds their business practices unacceptable. To provide an example, in 2012 in the City of Bell, Woods under bid the job for graffiti abatement services. GPC warned the City, as GPC is doing with Mesa, that the job cannot be done to the City's expectations at such an irresponsible price. Wood's owner staked his represented reputation on the line at the Bell Council Meeting that his firm could perform the work at their bid price and provide the same level of service they had received from GPC. The City ended up parting ways with Woods before the contract term ended, and forcing the cash strapped City to rebid the project. GPC was awarded the new contract, but at a much higher price than originally bid as the City had to pay for bringing the appearance of the community back to the standards as when GPC held the contract. Alex Fong at the City of Bell can be contacted at (323) 588-6211 for more details.

In order to gain insight on Woods' mindset, please see the email sent to one of our corporate officers the night the Bell contract was awarded to Woods on page 3 of the attachment. In particular, the email address and comments. This email was sent to the female President of our firm, Carla Lenhoff, after Woods was awarded the Bell contract. Our investigation into this email, which included the IP trace of the email, is on pages 4 and 5 of the attachment. The IP trace shows that the email came from Woods' office location in North Hollywood California.



In an attempt to take an irresponsible and unreasonable bid, the City is denying the true lowest, responsive, and responsible bidder, GPC, the contract. It seems confusing and unconscionable that the City would award a contract to an out of state contractor, with no Arizona contracts, management, or staff that priced the job 79% below what that same contractor had been bid five years earlier. Factor in past performance and results of Woods in a near identical situation less than 3 years earlier, and the City is penalizing the community and taxpayers with high future costs in a blind attempt to award a contract to a bidder that was not responsible or reasonable in their bid price.

GPC submitted the lowest bid, that was both reasonable and responsible and meets the high expectations and standards expected in the City and should be awarded the contract.

A hard copy of this letter will be mailed to Mr. Matt Bauer

Sincerely,

Lupe Mercado Graffiti Protective Coatings, Inc. (520) 301-5139 mobile

# GITY OF MESA TABULATION OF BIDS RECEIVED TUESDAY, MARCH 31, 2015 GRAFFITI ABATEMENT (INVITATION FOR BID #2015198)

Vendor	Total Net Bid
A Mind for Details – Mesa, AZ.	\$533,000.00
C & E Services, Inc. – Phoenix, AZ.	\$547,000.00
Graffiti Protective Coatings, Inc. – Mesa, AZ.	\$327,000.00
Woods Maintenance Services, Inc. North Hollywood, CA.	\$167,000.00

# CITY OF MESA AWARD RECOMMENDATION GRAFFITI ABATEMENT SERVICES (REQUEST FOR BID #2010161) Contract valid Through June 30, 2011

### Graffiti Protective Coatings, Inc. Tucson, AZ

Description	Award Amount
Graffiti Abatement Services including: Paint Out Method, Chemical Blasting or other Removal Method and Miscellaneous Labor – One (1) Man Crew	\$138,500

<sup>&</sup>quot;No-Bid" Response received from: Graffiti Doctors - Las Vegas, NV

# May 2010 Bid Results:

Graffiti Protective Coatings, Inc. Tucson, AZ	\$138,500 (Recommended)
All Economy Mobile Wash Inc. Mesa, AZ	\$183,490
Diversified Painting Services LLC Mesa, AZ	\$357,800
A Mind for Detail Inc. Mesa, AZ	\$358,500
DPX Scottsdale, AZ	\$426,600
Woods Maintenance Services, Inc., dba, Graffiti Control Systems North Hollywood, CA	\$592,500
Atarip LLC, dba, Atarip Professional Graffiti Removal Mesa, AZ	\$995,350
Elite Chandler, AZ	\$1,325,900

# **Sandy Corbett**

From:

Urban <burst@emailmeform.com>

Sent:

Wednesday, January 11, 2012 10:17 PM

To:

sandy@gpcarizona.com

Subject:

Feedback via the GPC CA Contact Form

First Name\*:

Urban

Last Name:

Graffiti

Email Address\*:

carlabitch@imaloser.com

Address 1:

Address 2

City:

State:

Zip:

Daytime Phone:

**Evening Phone:** 

Comments:

Thanks for the City of Bell. The rest of your contracts will soon follow. Suggest you start filing for unemployment, Carla, if there is any Escada Store that will hire a bitch!

\*.

Powered by EmailMeForm

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.1901 / Virus Database: 2109/4737 - Release Date: 01/11/12



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#### IP Details for 69.198.86.129

This information should not be used for emergency purposes, trying to find someone's exact physical address, or other purposes that would require 100% accuracy. Please read about geolocation accuracy for more information.

69.198.86.129

Lookup IP Address

#### Quick Links:

- General IP Information
- Geolocation Information
- Geolocation Map
- Comments about this IP address

#### **General IP Information**

IP: 69.198.86.129

Decimal: 1170626177 Hostname: 69,198,86,129

ISP: CBEYOND COMMUNICATIONS, LLC

Organization: Woods Maintenance Services

Services: None detected

Type: Corporate

Assignment: Static IP

Blacklist: Blacklist Check



#### **Geolocation Information**

Country: United States M

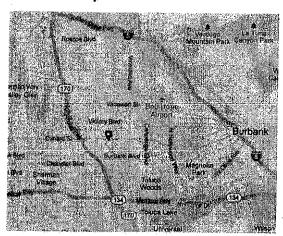
State/Region: California

City: North Hollywood

Latitude: 34.1783 Longitude: -118.3812

Area Code: 818

#### **Geolocation Map**





i	П	SAF	Com	me	nte

No comments. Be the first to add one.

Enter up to 500 characters in your comment about this IP address.

Submit comment

#### Related Articles

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- · How do I hide my IP address?
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May 20, 2015

Mr. Matt Bauer Procurement Administrator 20 East Main Street, Suite 400 Mesa, AZ 85211

### Re: Response to Protest To Award IFB 2015198

Dear Mr. Bauer,

Thank you for the opportunity to respond to what appears to be another case of sour grapes. My only surprise, based on the history and modus operandi of Graffiti Protective Coatings, is that their letter of protest was not included in their original bid submission.

GPC has a long history of protest, complaint, circumventing the system and questionable business practices. This is just another attempt at discrediting a competitor to gain that which was not earned.

There are so many examples; I am at a loss of where to begin. However, let's start with the bid itself. In 2010, GPC submitted a bid for what appears to be the same work for \$138,500. Understandably, in the ensuing 5 years, they received an 11% increase to their billable rate (\$0.18/square foot to \$0.20). Now in 2015, claiming how successful their program has been, they submit a bid of \$327,000, which represents a 60% increase in their billable rate (\$0.20 to \$0.32/square foot), and with a straight face still insist graffiti is down. The bid we submitted was in line with what GPC bid 5 years ago.

In Las Vegas in 2010, our company was performing graffiti removal in Phase I of the Clark County graffiti removal program for \$258,000 annually, while GPC was performing in Phase 2 for \$833,925.44, having it increased it each year from the original \$768,000. When a new bid was let, GPC lowered their price to \$468,800 for an area that not only included their current area (at nearly \$834k/year), but also included our area (\$258k/year), and an additional new area. There are 2 ways to look at this. First, GPC was overcharging for years, including asking for 3% annual increases in 3 consecutive years (we never requested an increase). Second, GPC lowballed their bid to ensure they would be awarded the contract, as this was a low bid contract, rather than an RFP. GPC bid a price 44% LESS than what they were getting paid for their current area, and 57% LESS than the combined rates of the Phase 1 and Phase 2 areas. Yet, GPC makes no mention of this when describing their history of bidding. And why would they? They look bad either way: either they were vastly overcharging a County agency for years, or they were bidding with an "irresponsible price." No other conclusion can logically be made.

We can move over to Arizona for a minute to bring it closer to home. In 2011, GPC filed another protest against a local and successful contractor. See a pattern developing? There was a bid let for Transit Cleaning Services in Phoenix that was being recommended for award to A Mind for Detail. True to form, GPC filed a protest to find the lowest responsible bidder non-responsive and award to, wait for it...GPC. Obviously the protest was without merit, denied, and the bid awarded to A Mind for Detail.

In 2011, GPC filed a Cease and Desist Order against Woods Maintenance Services for work in Mesa, Arizona from 2 years earlier. Since we had never done any work, or had any contract in Arizona, much less Mesa, the Registrar of Contractors dismissed the order. Not content with the result on their frivolous claim, GPC filed another Cease and Desist Order against us for Tucson, Arizona. Their claim...we *bid* for a job without being properly licensed.

In fact, we did bid a graffiti abatement job in Tucson, though there was not a public opening, nor had bids been evaluated or posted. It is strange how GPC was able to obtain bidder information in a closed system.

Now for the interesting parts. The real issue comes down to our bid, our application for a license, and the ulterior motives of the complainant. In 2006, Tucson let a bid for graffiti abatement and a contractor's license was not mentioned as being necessary for this procurement. In an addendum to the 2006 RFP, a clarification was issued, reaffirming that a license was **not required** for the exact same work. GPC bid on the job, received the contract, and commenced contract performance---ALL without a contractor's license. It was not until six months later, in December 2006, when they actually became licensed.

Fast forward to 2011. Tucson lets a new graffiti abatement contract with virtually an identical scope and there was no mention of the need for a license, much as the previous bid. At the pre-bid meeting there was no mention or clarification regarding this issue. However, two days after the pre-bid meeting, and less than a week prior to the bid submission date, an addendum was issued declaring a contractor's license was required **AT THE TIME OF AWARD**.

Upon learning of this new wrinkle, our company pulled out all stops and devoted its energy to securing the required license before Tucson would award the bid, as we were hoping to be the lowest responsible bidder. This entailed ordering the study booklet, scheduling a license exam, obtaining a statement of "Good Standing" from the California Contractors Board, obtaining a certified copy of Articles of Incorporation, taking the exam, obtaining the Transaction Privilege Number, turning everything into the Corporation Commission to certify our firm, waiting for their approval, and finally submitting the paperwork to the AzROC.

The end result was that AzROC, after multiple hearings, ruled that the law was specific. Despite the City of Tucson telling us we had until time of award, the hearing officer stated that the law required that it was needed at time of bid, and that our license application would be withheld for 1 year. I will not make guesses here as to how or why all of a sudden a license would be required and how it could be "mistakenly" stated that it was at time of award. I have my suspicions.

Let's continue this journey to one year after AzROC's decision to withhold our application when we submit our application for reconsideration of our license. Lo and behold, the same law firm that filed the protest against A Mind for Detail on behalf of GPC had submitted a letter encouraging AzROC NOT to issue a license to our firm, as we were an undesirable contractor who violates state law! Needless to say, the Registrar saw through this and awarded us our State Contractor's License.

GPC does not stop at filing frivolous claims and protests against contractors, they also file them against cities. In 2008 they initiated a lawsuit against four defendants, including the City of Pico Rivera for defamation and libel stemming from cancelling their contract and awarding another, larger contract to a more qualified firm. Four years later, Pico Rivera, having had enough, settled for a stipulated payment of \$20,000.

In the City of Bell, GPC was able to garner favor amongst the council and Mayor for prime contracts in multiple disciplines. Later the entire council and Mayor were indicted for corruption and bribery, with most of the officials imprisoned. Among those contracts, GPC bid and won a contract for street sweeping. Amazing that this firm had never performed this service nor did they have the equipment. The contract provides for a \$20,000 retainer so GPC could purchase the street sweeper. Five years later, the City apparently began paying GPC an additional \$3,000 PER MONTH (a 30% increase in the monthly service price, for which I have not been able to find where the City Council approved this additional compensation, in clear violation of the contract language.) The only documentation I was able to procure through a public records request was a letter written from Ms. Lenhoff to Luis Ramirez stating that GPC had purchased a new sweeper truck and "GPC will be increasing the monthly fee by \$3,000 for a new total of \$13,000 per month...." Contracts and amendments are written to protect both the contractor and the City. As we found out in 2010, apparently that wasn't the case in Bell.

When we took over the City of Bell, we did so at a lower cost and better service. We maintained the contract for one year and when the option to renew was up, we declined our legal right to continue the contract. The Code Enforcement Department and the Police Department loved our work. When the city staff was changed, and a new agenda was made clear, we found ourselves in an untenable situation. It was abundantly clear that someone did not want us in Bell, and wanted someone else, and we chose to assert our option, legally, rightfully, and timely, not renew our option year. Sufficient notice was provided to the City, and we worked as hard on our last day, as we had on our first.

Though we may not have felt respected by some in the City staff, we always knew that we were working for the people of Bell. And they deserved our best.

In both the City of Bell and the City of Santa Ana, we have pictures and abatement reports that are more than suspect. GPC had claimed, invoiced and was paid for vastly inflated and or erroneous abatements. On one address they stated 10,000 square feet of removal from a bike path. It was a small house with no adjacent bike path and had a chain link fence. There was no place 10,000 square feet could be measured. There were several other addresses that they claimed to have removed on consecutive days 7,000-10,000 square feet of graffiti that was essentially impossible to have done. These instances are not isolated. There is a pattern of this abatement and billing practice.

In San Jose, NBC did an expose on the questionable billing practices of GPC, a link to the video may be found at: <a href="https://www.youtube.com/watch?v=-pnTdjD0ZYM">https://www.youtube.com/watch?v=-pnTdjD0ZYM</a>

In 2012, while under contract with the City of Burbank, their employee, who was in charge of abating the graffiti within the city, was found and arrested for tagging in the city. No better way to keep your staff employed, I guess. <a href="http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work">http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work</a>

Finally, Mr. Bauer, I would like to point out the ridiculous claims that GPC makes in their protest letter with regard to the number of work orders they completed in in Mesa in 2014. According to the City of Mesa in its amended Addendum # 1, the current contractor (GPC) invoiced the City \$158,137.56. Further, in 2014, GPC claims to have completed 22,008 work orders, 16,243 of which averaged 4.2 square feet, for a total of 68,221 square feet.

Using their 2014 price of \$0.18/per square foot you would come to a total price for these abatements of \$12,279.78. Using our price of \$0.16/square foot this total is \$10,915.36. The difference of \$1,364 is minimal (less than 1% of invoiced amount) when you consider that, once again, according to GPC's and Mesa's numbers, the balance of the 5,765 jobs accounted for \$145,857.78. Simple math shows that each of these jobs averages 140 square feet, which GPC, of course, failed to mention. Bottom line, GPC has been doing this job for 5 years, claims to have reduced graffiti significantly, and now are stating that what they have done for the past 5 years cannot be done at similar price by someone else. This argument doesn't hold.

Let's put 2014 in perspective with Woods vs. GPC and how the costs would stack up:

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GPC - 16,243 abatements (4.2 \text{ sf}) = 68,220 \text{ sf} X $ .18 = $ 12,280 GPC - 5,765 abatements (140 \text{ sf}) = 810,322 \text{ sf} X $ .18 = $145,858 TOTAL BILLED: 22,008 removals totaling 878,542 square feet for $158,138
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WMS - 16,243 abatements (4.2 \text{ sf}) = 68,220 \text{ sf} X $ .16 = $ 10,915 WMS - 5,765 abatements (140 \text{ sf}) = 810,322 \text{ sf} X $ .16 = $129,561 TOTAL IF BILLED: 22,008 removals totaling 878,542 square feet for $140,565
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As is evident from the above, there would have been a small difference in pricing between the two firms. What makes it seem substantial is that GPC DOUBLED their pricing going forward, while insisting graffiti is down.

What the bottom line is, the 2014 abatement was \$158,000. Our bid for 2015 is \$167,000, and graffiti is reportedly down. Is this concept unreasonable? Is this pricing out of line? I fail to see the incongruity of the bid. What seems more suspect is the doubling of the bid to \$327,000. Now THAT is suspicious.

What further boggles my mind is that GPC claims it completed 22,008 work orders in calendar 2014. Working 5 days per week, this would equate to 84 completed work orders per day, including 22 of which average 140 square feet. Once again, as we have found in Bell, Santa Ana, Long Beach and San Jose, GPC's numbers simply do not pass the smell test. Based on our over 30 years in the graffiti removal business, including having graffiti contracts in some of the most heavily tagged areas of South Los Angeles, this type of output cannot be accomplished in the manner in which GPC claims, for the price they have billed for the past 5 years. The sheer manpower is more than what was being provided to the city. Hence, I know at least 1 of 2 things must be true: the number of completed work orders is incorrect, or the square footage totals are being inflated. GPC can't have it both ways.

Mr. Bauer, I think I have belabored the point that I believe Graffiti Protective Coatings is a litigious, protesting, dishonest, unscrupulous, and disgruntled contractor, who will use whatever means available to secure and keep lucrative contracts, even if not completely legal and above board.

Our record of 40 years speaks for itself, and I do not think it is necessary to defend our firm or our bid. They stand on their own merit.

However, I would suggest and I would agree to pay the wages of a city staff member familiar with graffiti on their off (Friday) work day. Their job would be a Ride-Along with one of the current contractor's personnel. They would become familiar first hand with the graffiti in your city, the hard work and what's involved up close and personal with its abatement and annotation, so they can better understand the procurement.

By doing this, you will see if it is even possible for a single technician to handle 30-45 work orders, averaging approximately between 1, 200 and 1,700 square feet in a standard, 8 hour work day. If this miracle were to transpire, in addition to paying the wages of the Mesa observer, I would make a \$5,000 donation to a charity of Mesa's choice and humbly withdraw our bid for this project. Keep in mind that that these figures

are based on Mesa and GPC provided numbers, and that this output would be required of 2 or 3 technicians EVERY SINGLE work day.

Mr. Bauer, I honestly expect GPC to file some manner of lawsuit against us for the truths contained herein, and would more than welcome the open courtroom environment to settle this once and for all. Two other prominent and well-known contractors in California are well acquainted with GPC and would lend impartial ears to the proceedings.

I hope I have clarified the issues and the real reasons that precipitated the protest, totally unrelated to our "low" pricing. If you have any additional questions or concerns, I would be most happy to address them.

Sincerely,

Barry Woods

President

Bany K. Woods



June 8<sup>th</sup>, 2015

Mr. Ed Quedens Chief Procurement Officer 20 East Main Street, Suite 400 Mesa, AZ 85211

RE: Appeal of Protest denial for IFB 2015198

Graffiti Protective Coatings, Inc. (GPC) is appealing the decision to deny the protest regarding the City of Mesa's decision to award IFB 2015198 to Woods Maintenance (Woods).

GPC alerted the City as an expert in the costs associated with providing graffiti removal services for the City of Mesa that Woods bid was unrealistic and simply had submitted a bid based on undercutting GPC's bid price 5 years earlier. Over the past 5 years, the sizes of the tags have decreased annually and all data trends suggest that 1,000,000 square feet of graffiti removal is highly unlikely. GPC's bid price from 5 years ago is outdated and not applicable to the current scope of work. In Woods' response letter dated May 20<sup>th</sup> (Response) focusses on GPC's old bid amount and not the costs or resources needed to perform the services to the City's expectations. In Woods' Response when attempting to calculate costs based on actual data, he acknowledges that his numbers do not add up. Woods dismisses this fact by claiming the actual historical data is inflated and/or false. Mr. Woods does not realize the sophistication, transparency, and verification that has taken place over the past 5 years to insure that all data presented is completely accurate.

GPC contends that Woods bid is unreasonable and past performance in a near identical situation within the past 3 years illustrates that Woods is not a responsible bidder. The City claims that they checked Woods references. All of Woods references are out of state and the City has no opportunity to truly compare scope, cost, and level of services to its current needs. Additionally, Woods references give no way to compare service providers as none of Woods current service contracts have had experience with a high quality firm such as GPC. This is why the City of Bell is so relevant. It is truly a way to gather information to compare firms and to explore the results of a seemingly low ball bid by Woods. In addition, it allows the City to judge the business integrity and business honesty of Woods as he has provided a lengthy detail of events in Bell in his Response. It also important to keep in mind that most purchasing agencies will disqualify a contractor that has been recently terminated for performance, and virtually all purchasing agencies will disqualify and possibly debar a contractor for falsifying information regarding a termination for performance.

In reference to City of Bell, Mr. Woods describes a corrupt City council and City manager. While it is true that the Council and City Manager made national headlines for enriching



themselves, they had all been long removed when Woods was awarded the contract for the City's Graffiti Abatement Services in 2012. In fact, there is probably not a more transparent and scrutinized City in America with tremendous community involvement in all government affairs including contracts. Woods had publicly assured the City of Bell that his firm could perform the work as good as or better than GPC at his quoted price. Additionally, he staked his supposed reputation on the line at the public council meeting. The community of Bell had always been extremely happy with GPC, and for the City to change service providers was a major gamble for the brand new City Council. Councilmembers and city staff took Mr. Woods at his word that he was confident in the pricing he submitted. At the time they felt there was no indication to the City that Woods would not be a responsible contractor who would be unable to provide the service for the stated amount.

Mesa Procurement Rules Section 4.20 Responsibility of Respondents states that factors to be considered in determining if a Respondent is Responsible include:

- 2. The Respondents record of performance and integrity.
- 5. The degree to which a Respondent promptly supplies information in connection with an inquiry with respect to responsibility.

Mr. Woods's accounts of the City of Bell are false and misleading and indicate a lack of business integrity and business honesty which affects Responsibility as a City contractor.

In the Response, Woods states" When we took over the City of Bell, we did so at a lower cost and better service. We maintained the contract for one year and when the option to renew was up, we declined our legal right to continue the contract. The Code Enforcement Department and the Police Department loved our work. When the City staff was changed, and a new agenda was made clear, we found ourselves in an untenable situation. It was abundantly clear that someone did not want us in Bell, and wanted someone else, and we chose to assert our option, legally, rightfully, and timely, not renew our option year. Sufficient notice was provided to the City, and we worked as hard on our last day, as we had on our first. Though we may not have felt respected by some in the City staff, we always knew that we were working for the people of Bell. And they deserved our best."

Following are five documents:

- 1) A1- Bell City Council Agenda report from June 5, 2013 discussing Woods' contract history in the City.
- 2) A2-Email from contract manager Alex Fong to GPC stating "Things are really bad right now with graffiti." He states the City might expedite GPC's start date due to graffiti being so bad within the City.
- 3) A3- Email from GPC to Alex Fong agreeing to provide temporary graffiti removal services due to Woods being terminated for non-performance. GPC also states that it is providing up to 40 trucks to clean the 2 square mile City.



# 6/5/13 AGENDA REPORT

Award of Contract for Graffiti Removal Services

Page 2 of 2

the surrounding cities are very different in terms of expectations and the amount of graffiti each city must deal with. GPC has indicated that it would cost Bell significantly more to do a joint effort, since some of the cities experience significantly more graffiti than Bell.

#### HISTORY OF GRAFFITI REMOVAL IN BELL

GPC was the City of Bell's contractor for graffiti removal services between 1995 and 2011. During this time, the company provided outstanding services to the City. In 2011, because of CDBG funding requirements, the City sought competitive bidding for graffiti removal. Graffiti Control Systems submitted the low bid of \$93,885. This bid turned out to be vastly underestimated as the contractor has been providing only 58% of the work previously provided by GPC. This under-performance is resulting in numerous complaints from the community and a significant increase in graffiti. The current contractor often fails to meet the 24 hour response time and the problems are especially acute on weekends and holidays. Also, Graffiti Control Systems was never able to provide a working smart phone app as required in the 2011 Request for Proposal. Graffiti Control Systems is terminating the contract with the City effective June 30, 2013 with the stated reason of losing money on the contract.

#### **ATTACHMENTS**

- 1. May 15th, 2013 Agenda Report
- 2. Contract Services Agreement
- 3. GPC Proposal for Graffiti Removal Services



**Folders** 

Inbox 34117

New Reply

Delete Archive Junk

Sweep

Move to

Cappgla Person.com



[afong@cityofbell.org]

RE: APPROVED!



gpcla 6/06/13

To: afong@CITYOFBELL.ORG

Ok. If you need to terminate current contractor early for non-performance, we will ramp up a little earlier.

Drafts 142

. . .

Archive

Junk 77

Sent

Deleted

POP

New folder...

Search Results

New folder

Sent via the Samsung Galaxy S™ III, an AT&T 4G LTE smartphone

From: Alex Fong <afong@CITYOFBELL.ORG>
Date:

----- Original message -----

To: ancla zan

To: gpcla <gpcla@msn.com> Subject: RE: APPROVED!

Barry,

Things are really bad right now with graffiti. We might expedite it, but I'll let you know as soon as I can. Thank you.

Alex

Alex Fong

Contracts and Facilities Manager (323) 588-6211 x 245

From: gpcla [gpcla@msn.com]

Sent: Thursday, June 06, 2013 2:45 PM

To: Alex Fong

Subject: RE: APPROVED!

Alex,

I am assuming we will start 7/1/13. We will do our multi-truck sweep June 29th and 30th.

Barry

(213) 591-1153 mobile

© 2015 Microsoft Terms Privacy & cookies Developers English (United States)



**Folders** 

Inbox 34117

Archive

Junk 77

Drafts 142

New Reply

Delete Archive Junk

Sweep Move to



[afong@cityofbell.org]

RE: Temp Graffiti Services



gpcla 6/07/13

To: afong@cityofbell.org

OK, I will get everything ready on our end.

Sent

Deleted

POP

New folder...

Search Results

New folder

From: afong@CITYOFBELL.ORG

To: gpcla@msn.com Date: Fri, 7 Jun 2013 10:55:40 -0700

Subject: Re: Temp Graffiti Services

Fantastic! Lets do it! Thank you!

Sent from my iPhone

On Jun 7, 2013, at 10:49 AM, "gpcla" <gpcla@msn.com> wrote:

Alex,

GPC will officially start the contract on July 1, 2013. However due to non-performance of services by the existing contractor, GPC will provide temporary graffiti removal services based upon the following:

- 1) GPC will provide a 30-40 trucks for Saturday June 15th, to sweep and clean graffiti from the entire City. There is no cost for services for this day as it is a volunteer effort
- provided by GPC and its staff as a community service. 2) GPC will provide 6 day a week graffiti services from June 17, 2013 - June 30, 2013 for a flat fee \$3,911.
- 3) GPC is provided a copy of the letter of termination for non-performance from the City to the existing contractor that states their final day is June 14, 2013.

Kindly let me know if you have any questions.

Barry

(213) 591-1153 mobile

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Archive

Junk

We just did an email as a termination letter. See below. Everything is all set. Can't wait til you guys start! Thank you!

Sweep Move to

Categories

[afong@cityofbell.org]

Inbox 34117 Archive

**Folders** 

RE: Graffiti Services - Bell gpcla 6/11/13



To: afong@CITYOFBELL,ORG

Great, looking forward to getting started.

----- Original message -----

Subject: FW: Graffiti Services - Bell

To: gpcla@msn.com

From: Alex Fong <afong@CITYOFBELL.ORG>

Sent via the Samsung Galaxy S™ RI, an AT&T 4G LTE smartphone

Sent Deleted

Junk 77 Drafts 142

POP

New folder...

New folder

Search Results

Alex

Hi Barry,

Alex Fong

(323) 588-6211 x 245 From: Joe Perez Sent: Friday, June 07, 2013 3:58 PM

To: Alex Fong Subject: Fwd: Graffiti Services - Bell

Contracts and Facilities Manager

Fvi

Sent from my iPhone

Begin forwarded message:

Subject: Graffiti Services - Bell

From: Joe Perez <jperez@CITYOFBELL.ORG<mailto:jperez@CITYOFBELL.ORG>>

Date: June 7, 2013, 3:46:23 PM PDT To: "jwoods@graffiticontrol.com<mailto:jwoods@graffiticontrol.com>"<jwoods@graffiticontrol.com<mailto:jwoods@graffiticontrol.com>">

Jeff,

through Friday, June 14, 2013. After June 14th, GCS will no longer provide these services.

The City of Bell will pay for GCS's services through June 14, 2013 on a pro-rated basis.

Please reply to affirm that you are in agreement with this arrangement.

Thanks.

Joe Perez

Community Development Director

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https://snt149.mail.live.com/?tid=cm0MKAwubS4hGtMgAmVYbB-g2&fid=flsearch&paid=cm2xHOJvDp4h...

As a follow-up to our conversation earlier today, Graffiti Control Systems will continue providing graffiti removal services for the City of Bell



New

Delete Archive Junk

Sweep Move to gpcla@atencomes



[Joe Perez]

**Folders** 

Inbox 34117

Fwd: Thanks!



gpcla 8/09/13

Reply

To: jb\_gpc@yahoo.com

Junk 77 Drafts 142

Archive

Sent

Sent via the Samsung Galaxy S™ III, an AT&T 4G LTE smartphone

From: Joe Perez < jperez@CITYOFBELL.ORG>

Deleted

POP

New folder... Search Results

Date: To: "'carla.lenhoff@gmail.com'" <carla.lenhoff@gmail.com>, "'gpcla@msn.com'"

New folder

<gpcla@msn.com>

Cc: Alex Fong <afong@CITYOFBELL.ORG> Subject: Thanks!

---- Original message -----

Carla & Barry,

I just wanted to take a moment to thank you for the outstanding service GPC is providing to the City of Bell. Not only have the complaints about graffiti ceased, but we are regularly receiving very positive comments from the community about the tremendous difference GPC has made regarding graffiti in town. Residents are even appearing at City Council meetings to tell us how much better the graffiti situation has been since GPC started.

Thanks again for making a HUGE difference!

Joe Perez

Community Development Director

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- 4) A4- Early termination of services email to Woods from Community Development Director Joe Perez.
- 5) A5- August 8, 2013 unsolicited email from Community Development Director to GPC praising the company and comparing service levels of GPC and Woods.

A review of Mr. Woods' Response in regards to his Responsibility:

"When we took over the City of Bell, we did so at a lower cost and better service."

FACT: The cost was indeed lower, however according to document A1, Woods only completed 58% of the work previously provided by GPC. Based on document A5, Woods' claim of providing better service than GPC is false.

"We maintained the contract for one year and when the option to renew was up, we declined our legal right to continue the contract."

FACT: Woods did indeed legally decline to continue the contract; however he fails to mention that he asked to opt out of the contract for price reasons after staking his supposed reputation on the line that he could perform the services at his stated bid amount.

"The Code Enforcement Department and the Police Department loved our work."

FACT: The scope of services in the bid required proactive patrols of main streets and other parts of the 2 square mile City. Per document A1, Woods completed only 58% of GPC's output. In documents A2 and A3, it is established that under Woods' watch graffiti had gotten very bad and GPC would need up to 40 trucks to clean the small city. The increased graffiti problem put both Code Enforcement and the Police Department under immense pressure and scrutiny. So it seems unrealistic to think they "loved" their work.

"When the City staff was changed, and a new agenda was made clear, we found ourselves in an untenable situation. It was abundantly clear that someone did not want us in Bell, and wanted someone else, and we chose to assert our option, legally, rightfully, and timely, not renew our option year."

FACT: The new City Council which hired Woods wanted them to succeed. It was very embarrassing for Council and staff as they ignored GPC's warnings regarding Woods bid price and ended up getting publicly duped. The option to excuse inferior service in exchange for less cost was not even available since Woods was unwilling to continue at his stated bid price per Document A1.

"Sufficient notice was provided to the City, and we worked as hard on our last day, as we had on our first."



FACT: Woods efforts were so poor that the City had to terminate the contract early for lack of performance per Documents A2, A3, and A4.

"Though we may not have felt respected by some in the City staff, we always knew that we were working for the people of Bell. And they deserved our best."

FACT: Per Documents A1, A2, A3, A4, and A5, Woods' "best" is markedly below the level of services provided by GPC.

Mesa Procurement code Section 4.20 Responsibility of Respondents states that factors to be considered in determining if a Respondent is Responsible include:

- 2. The Respondents record of performance and integrity.
- 5. The degree to which a Respondent promptly supplies information in connection with an inquiry with respect to responsibility.

As per No. 2, Mr. Woods' accounts of the City of Bell are false and misleading and indicate a lack of business integrity and business honesty which affects Responsibility as a City contractor. In addition, his early termination demonstrates an unacceptable record of performance.

As per No. 5, the degree to which Mr. Woods supplied information with respect to responsibility lacks integrity and honesty.

In addition, instead of Mr. Woods providing a true cost analysis to defend his bid price, he instead tries to make misleading and unprofessional statements which GPC addresses subsequently in this letter. GPC factually responds to Woods false claims to set the record straight and demonstrate the character and business practices of Woods.

Reading the Response by Woods and his complaints about protests, questionable business practices, circumventing the system, discrediting competitors (as he tried to do in his response), was confusing as I felt Woods was discussing his own business strategies.

Woods admits it paragraph 3 (GPC has labeled Woods' Response paragraphs in attachment B), "The bid we submitted was in line with what GPC bid 5 years ago." This is exactly my point that Woods based his bid on our old pricing and not his cost to perform the work. He questions GPC's new bid amount, claiming we cannot possibly have been successful in the City if we increased our price 60%. The facts are that the scope of this project contains no minimum fees per work order and the 1,000,000 estimated square feet of graffiti removal is simply an estimate. The size and cost per removal has decreased by annually since the contract's inception. Graffiti is harder to find, taking more trucks and labor resources to find the vandalism. The facts behind this data are all verifiable through the reports that are in the possession of the City.



Furthermore, it is obvious to anyone who has lived in the City of Mesa over the past 5 years the tremendous positive impact GPC has had on the City. This is confirmed by the glowing reviews GPC has received from contract administrators, councilmembers, and public feedback like the ones included in Document A6.

In paragraph 4, Woods discusses Clark county and GPC's bid. GPC does not work in Clark County. American Graffiti (AG) is the company that knocked Woods out of Nevada. It is a separate company from GPC, but has shared ownership. Woods fails to mention that GPC's bid price of \$768,000 was approximately half the price of the bid submitted by Woods. AG and Woods were the only 2 bidders and according to the procurement officer and contract administrator, Woods frivolously tried to protest. The first night that AG started work, Woods sent 2 employees to follow AG to photograph and harass their employees while working. The Police had to be called, and the officers questioned Woods' employees. Woods's employees were told by the Police to leave AG crews alone so they could work. AG's bid saved the County millions of dollars over the 5 year period. The contract was extremely front loaded as it was priced on a flat monthly fee. AG incurred significant initial costs to clean and restore the resort corridor. Towards the end of the 5 year contract, AG introduced the App-Order software technology that yielded tremendous efficiencies and cost savings for that particular project. When AG won the renewal by a narrow amount, Woods submitted a letter to purchasing complaining it was a "low ball' bid. AG does outstanding work in Clark County the contract manager rates services provided by AG as outstanding and far exceeding expectations. Unlike Woods, AG based its bid on costs to provide a top flight quality job which it consistently delivered to its customer. When Woods makes a claim of protest for a low ball bid, they are proven to be at best to be not accurate and at worst not truthful. When GPC has made a claim of Woods submitting an irresponsible low ball bid, they have proven to be absolutely correct.

In paragraph 5, GPC did file an unsuccessful protest regarding transit services. There were multiple protests filed on this project (not just GPC) due to the fact that Purchasing changed the scope outside of the proper protocol and only informed one of the bidders. This was GPC's 3<sup>rd</sup> protest in 24 years of business.

In paragraphs 6-12, GPC did not file a cease and desist order against Woods. The State of Arizona issued a cease and desist against Woods. GPC had nothing to with Woods submitting bids as an unlicensed contractor. Woods mentions Tucson, but fails to mention that he threatened to protest GPC being awarded the Tucson contract and apparently also threatened legal action against the City, twice. GPC does not control whether the State through an investigation, hearing, and a judge's ruling bar Mr. Woods from performing work in the State of Arizona for a year.

In paragraph 13, Woods claims GPC files frivolous lawsuits against cities. Pico Rivera was the only lawsuit GPC has ever filed against a City. The case was far from frivolous as GPC won a landmark ruling in the State Court of Appeals. The case was not about defamation and libel



as Mr. Woods claims. In fact, the City's public works director called GPC the best contractor the City ever had. The case had to do with serious misconduct by certain City officials in the purchasing process of a new contract. GPC asserted its legal right to fight improper business practices and was very pleased with the multiple settlements received.

In paragraph 14, Woods implies GPC improperly increased its monthly fee to the City of Bell outside of its 2002 contract for street sweeping. GPC provided excellent services and followed the procedures as stated by the contract and contract officer.

Paragraph 15 regarding Bell has been previously covered in our protest appeal.

In paragraph 16, Woods discusses erroneous billing by GPC in Bell and Santa Ana. GPC does not have the specific alleged sites to be able to respond, however both of those contracts operate on a flat monthly fee. This means that the cost is the same whether a job is 1 square foot or a million square feet. Jobs are not billed on per job cost, so it is impossible to even make the claim that GPC invoiced and was paid for vastly inflated or erroneous abatements. In regards specifically to Santa Ana, attached is a letter from the Santa Ana Asst. City Attorney regarding a frivolous letter from Woods' attorney (document A7) attempting to have GPC's contract with the City rebid.

In paragraph 17, Woods provides a link to an NBC story in San Jose. What Woods doesn't mention is that the San Jose City Manager issued a statement immediately after its airing at the May 1<sup>st</sup> 2012 Council meeting calling the story "misleading and without merit". The 'expert" in the story was the former manager of San Jose's in house graffiti program that was eliminated when the City outsourced graffiti removal services. In addition, at the time he was soliciting graffiti removal related services to the City. The city councilman in the story has since been voted out of office and is under multiple criminal investigations. Not only does GPC still work for the City of San Jose, but GPC was just awarded a 5 year contract extension by a vote of 9-0, with council stating its decision to outsource to GPC was a total success. In document A8, I have included a sample of the comments we receive on a daily basis from residents within the City.

In paragraph 18, Woods provides a link to a City of Burbank article. What Woods doesn't mention is that the City praised GPC's software and the company's cooperation to quickly discover the ex-employee's illegal activity. I have included a press release from the City as document A9. Additionally, the City was never billed for the terminated employee's vandalism and the court ordered the terminated employee to repay GPC for the vandalism he created. GPC still provides services to the City of Burbank as they are extremely happy with GPC and have renewed the contract twice since the incident happened.

In paragraphs 19 -23, Woods once again tries to justify his price by comparing it to GPC's bid 5 years ago, rather than explain his cost own cost formula for his bid amount. Mr. Woods does not seem to grasp that GPC's success over the past 5 years means there is less graffiti, and the graffiti that exists are much smaller tags. Since there is no minimum charge, a large



unit price increase was required in order to properly staff the contract to meet contract expectations and requirements.

In paragraph 24, Woods questions the prices GPC charges the City of Mesa and the output that the City has received from GPC. Woods claims "this type of output cannot be accomplished". Woods additionally claims the square footage totals and work order output must be inflated. Every single work order completed by GPC is fully documented with job details such as location, date, time, surface, square feet, cleaning method, and time stamped before and after photos. All data is transmitted in real-time to City staff. Every work order is reviewed and verified by City staff every 2 weeks. City staff then provides GPC a spreadsheet of approved fees for billing purposes. In short, Woods is admitting he can't perform the work at GPC's pace and cost, yet he underbid that amount by 20%. Woods' only explanation to this is that GPC must be either inflating work orders or inflating square feet. Since City staff reviews all jobs and provides GPC the billable spreadsheets every 2 weeks, Woods is essentially claiming that City staff is inflating work orders and square footage.

Additionally, none of GPC's clients have ever accused GPC of inflated billings or square footage. The only City I read where a contractor was accused of improper billings was National City, California. That was Mr. Woods' contract, and I believe he is no longer working in National City.

In paragraph 25, Woods must be confusing his own company with GPC when using words such as litigious, protesting, dishonest, unscrupulous, and disgruntled. Simply review the email from Woods' office directed at myself that was included in the original protest.

In paragraph 26, Mr. Woods' attempt to rely was on his record is virtually the same statement he made to the Bell City Council when his bid price was questioned. Except in Bell, he said he put his supposed reputation on the line for that contract.

In paragraphs 27 and 28, Woods calls GPC staff "miracle" workers. GPC's App-Order software does allow City staff to view each and every location GPC staff performs as if they were sitting in the passenger seat of one of our service trucks. Real-time communication between GPC and its customers through its App-Order system makes GPC one of the most transparent contractors in the country.

It is hard for someone of Mr. Woods' character and integrity to admit that GPC is vastly superior to Woods in terms of staff, technology, equipment, techniques, and customer service. However unless you believe Mr. Woods claims that GPC (and in reality City of Mesa staff) is inflating work orders and square footage, then he is alerting the City that he cannot provide the same level of services as GPC. Even more troubling, he's proposing to do it for 20% less out of North Hollywood California.

Facts are that GPC is light years ahead of its competition and that is why it has more municipal contracts than any other company in the nation. The City knows GPC, its



workmanship, staff, and customer service. I think Mr. Woods' Response of "truths" is anything but that and provides the City tremendous insight into his levels of honesty and integrity.

The City should reverse its decision on denying GPC's protest as Woods has violated Section 4.20 of Mesa Procurement rules in determining if a Respondent is Responsible by providing false and misleading information regarding integrity and past performance.

Sincerely,

Carla Lenhoff, President





You are logged in as: gpcla@msn.com ( logout )



Citizen Feedback	(A)
	S

Apps **Feedback Reports** Rate Graffiti Removal... **New Feedback Report** Activities Config Admin System

Details **New Activity** Edit XML Touch Delete Clone

Feedback Report: Rate Graffiti Removal Services

Status: new

Created By: anonymous (155717)

Created With: Web

Assigned To: LUPE MERCADO

Created: 04/14/2015 02:43:51 PM

Feedback Type: Rate Graffiti Removal Services

Rate the Following \* 1 (Poor) through 5 (Excellent)

Response Time: 5 Quality of Work: 5

Comments: Amazing cleanup and always the same day I rwport it. Thank you for giving us this

tool to keep our city pretty. It's worth every tax dollar spent when I feel like I can

contribute and help keep this city nice and a place where people want to live.

Contact Information

Name: Maren

Email: 3

Phone Number: 480

Activity Created By Date **Assigned To** Due Completed

Server took: 0.175 seconds





You are logged in as: gpcla@msn.com ( logout)



Citizen Feedback	Ō)
Citizen reeuback 🔻	1518

Feedback Reports **Apps** Rate Graffiti Removal... New Feedback Report **Activities** Config Admin

System

XML Touch Delete **Details New Activity** Edit Clone

Feedback Report: Rate Graffiti Removal Services

Status: new

Created By: anonymous (126879)

Created With: Web

Assigned To: LUPE MERCADO

Created: 07/31/2014 01:48:26 PM

Feedback Type: Rate Graffiti Removal Services

Rate the Following - 1 (Poor) through 5 (Excellent)

Response Time: 5

Quality of Work: 5

Comments: Response to this service has been excellent

Contact Information

Name: Richard

Email: covering@iv metcam.com

Phone Number: 49922075

**Activity** Created By Date **Assigned To** Due Completed

Server took: 0.274 seconds





You are logged in as: gpcla@msn.com ( logout )



Citizen Feedback	Q

Apps Feedback Reports Rate Graffiti Removal... **New Feedback Report Activities** Config Admin System

**Details New Activity** Edit Clone XML Touch Delete

Feedback Report: Rate Graffiti Removal Services

Status: new

Created By: anonymous (153729)

Created With: Web

Assigned To: LUPE MERCADO

Created: 03/26/2015 01:44:46 PM

Feedback Type: Rate Graffiti Removal Services

Rate the Following - 1 (Poor) through 5 (Excellent)

Response Time: 5 Quality of Work: 5

Comments: very pleased with the response time and quality of work. i agree that it really

helps make Mesa look better.

Contact Information

Name: Dave Gallins

Email: des

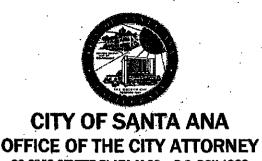
Phone Number: 480445005

Activity **Created By Date Assigned To** Due Completed

Server took: 0.183 seconds



MAYOR
Miguel A. Pulido
MAYOR PRO TEM
Claudia Alvarez
COUNCIL MEMBERS
David Benavides
Carlos Bustamante
Michele Martinez
Vincent Sarmiento
Sal Tinajero



Joseph A. Straka
CLERK OF THE COUNCIL

Maria D. Huizar

INTERIM CITY MANAGER

INTERIM CITY ATTORNEY

Paul M. Walters

20 CIVIC CENTER PLAZA M-29 • P.O. BOX 1988 SANTA ANA, CALIFORNIA 92702 (714) 647-5201 • Fax (714) 647-6515

January 12, 2012

David R. Hunt Friedman Stroffe & Gerard, P.C. 19800 Macarthur Boulevard, Suite 1100 Irvine, California 92612-2440

Re: Graffiti Removal Services

Dear Mr. Hunt

Thank you for your letter of December 22, 2011 regarding the City's bid process in awarding the contract for graffiti removal services. You had previously requested public records regarding that bid process and believe that the City's efforts were inadequate and that the services should be re-bid prior to renewal of the contract with Graffiti Protective Coating.

I have enclosed a Proof of Publication of the Public Notice - Request for Proposals for Graffiti Removal Services, dated August 14, 2009. This Notice was misfiled with another Notice published at the same time. Your letter prompted Ms. Mercado to further search her files to find the Notice that she was certain she had, but had not found in the graffiti removal file.

I hope this Proof of Publication answers your concerns regarding the City's compliance with the public bidding requirement, as set forth in Santa Ana Municipal Code Sec. 2-806. The City sent notice of the Graffiti Removal RFP to all potential bidders of whom the City was aware, in addition to the publication in the paper.

The City is required, and does publicly bid its contracts. When the City again seeks proposals for these services, it will publish notice and provide notice to any interested parties of which it is aware. Additionally, the City now has the capability of allowing interested vendors to register with the City to ensure notification of bids. That registration may be accomplished at <a href="https://www.santa-ana.org">www.santa-ana.org</a>.



Again, thank you for your inquiry regarding the City process in awarding the graffiti removal services contract. The City is confident that it has complied with the bid requirements and, barring early termination, will continue with its current contractor throughout the authorized term of the contract.

Sincerely

488

Laura Sheedy Assistant City Attorney

Cc: Raul Godinez

enc.



You are logged in as: gpcla@msn.com ( logout )

204

Citizen Feedback

Apps

**Feedback Reports** 

Feedback14-00778

New Feedback Report

Config Admin

System

Details **New Activity**  Edit

Clone

XML Touch Delete

Feedback Report: Feedback14-00778

Status: new

Created By: anonymous (122634)

Created With: Web

Assigned To: Barry Tester

Created: 06/21/2014 02:51:00 PM

Feedback Type: Rate Graffiti Removal Services

Rate the Following 1 (Poor) through 5 (Excellent)

Work Order Number or CZ14-45102

Location Description:

Response Time: 5

Quality of Work: 5

Comments: Thank you for cleaning up the graffiti in our neighborhood. Response time was

excellent and work done exceptional. We can't thank you enough with being current and creating an app for city services. Glad we live in the Silicon Valley!

Contact Information

Name: Re

Email: N

Phone Number:

Activity

**Created By** 

Date

**Assigned To** 

Due

Completed

Server took: 0.218 seconds



You are logged in as: gpcia@msn.com (logout)





Citizen Feedback

Apps

Feedback Reports

Feedback14-00747

New Feedback Report

Config

Admin

System

Details

**New Activity** 

Edit

Touch Delete

Feedback Report: Feedback14-00747

Status: new

Created By: anonymous (115179)

Created With: Web

Assigned To: Barry Tester

Created: 04/07/2014 09:25:28 AM

Feedback Type: Rate Graffiti Removal Services

Rate the Following - 1 (Poor) through 5 (Excellent)

Work Order Number or Sound wall behind 772 gateview drive. Graffiti removal on utility boxes, sound wall

Location Description: and fences

Response Time: 5

Quality of Work: 5

Comments: This is probably the best service i have ever received from any city entity. The app

is great, the response time was amazing and the quality of work and the updates given were second to none. I will be using the City of San Jose app as often as I

can to report graffiti and litter. Thank you, this is great!

**Contact Information** 

Name: Ameen Maclehi

Email:

Phone Number: 4

Activity

**Created By** 

Date

**Assigned To** 

Due

Completed

Server took: 0.184 seconds



You are logged in as: gpcla@msn.com ( logout )

Admin

Citizen Feedback

Apps

Feedback Reports

Feedback14-00793

New Feedback Report

**Activities** 

System

Details

**New Activity** 

Edit

XML Touch Delete

Feedback Report: Feedback14-00793

Status: new

Created By: anonymous (126056)

Clone

Created With: Web

Assigned To: Barry Tester

Created: 07/22/2014 01:43:39 PM

Feedback Type: Rate Graffiti Removal Services

Rate the Following - 1 (Poor) through 5 (Excellent)

Work Order Number or Report CZ14-47355 is closed.

Location Description:

Response Time: 5

Quality of Work: 5

Comments: You guys are incredible! This is the first time I used the app, I'm blown away with

the response time. I" pay more taxes to keep and expand this service. Congrats to the people that developed this program. Steve that San Jose Homeowner since

1999

Contact Information

Name: Steve

Email: s

Phone Number: 4

Activity

Created By

Date

**Assigned To** 

Due

Completed

Server took: 0.257 seconds





#### FOR IMMEDIATE RELEASE

Drew Sugars
Public Information Officer
(818) 238-5849
dsugars@ci.burbank.ca.us

# **Graffiti Abatement Company's App Helps Investigation**

Burbank Police arrest man contracted to remove graffiti

BURBANK, Calif. (November 9, 2012) — Earlier today, the Burbank Police Department announced the arrest of an employee of a city-contracted graffiti removal company who is suspected of creating more than one hundred graffiti tags that he subsequently removed as part of his job duties with the contracted company.

The company, Graffiti Protective Coatings, Inc. (GPC) has contracted with the City of Burbank for more than six years at approximately \$100,000 year. In that time, GPC has proven to be a valued partner in removing graffiti by using cutting edge technology to provide an effective service at a low cost to taxpayers.

In fact, smart phone technology developed and implemented by GPC three years ago to streamline workflow and eliminate inefficiencies was instrumental in helping solve this case. The employee is suspected of beginning his criminal activity in September. Shortly after, GPC management discovered discrepancies with his work orders. At the same time, Burbank Police investigators became aware of unusual graffiti activity through their monitoring of the GPC data technology.

The ensuing police investigation led to the employee's arrest on Thursday, November 8, 2012. "As the investigation moved forward, GPC stepped up and worked with our investigators to help us resolve this case," said Captain Denis Cremins of the Burbank Police Department. "We appreciate their cooperation."

"By partnering with the City of Burbank and Burbank Police Department, we were able to use our proprietary software to swiftly identify and ultimately catch this individual, said Carla Lenhoff, President of Graffiti Protective Coatings Inc. "(The suspect's) actions are not reflective of the principles of our organization or our high operational standards. We have zero tolerance for his behavior and as soon as we learned of the situation we took immediate action, terminated his employment, and have been fully cooperating with the authorities in their investigation."

Although the employee is suspected of overbilling the City, GPC has ensured the City of Burbank that the City and its residents will not have to pay any costs associated with the suspect's actions.

**Attachment A- Original Protest by GPC** 



May 11, 2015

RECEIVED

MAY 1 3 2015

PURCHASING

Matt Bauer
Procurement Administrator
20 East Main Street, Suite 400
PO Box 1466
Mesa, Arizona 85211-14

Re: City of Mesa Bid #2015198 Protest

Dear Mr. Bauer,

Graffiti Protective Coatings, Inc. (GPC) is protesting the award of Bid #2015198 for Graffiti Abatement Services to Woods Maintenance Services, Inc. (Woods). The basis of the protest is that Woods' bid is too far below cost. Woods' pricing is likely the result of an out of state contractor with no knowledge of the City of Mesa or the true scope of the bid requirements and is simply trying to undercut past bid results. The bid price by Woods renders their bid not responsible.

In June of 2010, Woods bid on Bid #2010161 Graffiti Abatement Services for the City of Mesa. Woods' price was \$592,500 (page 2 of the attachment). The scope of the 2010 bid was nearly identical to the 2015 bid with exception that in 2010, the bid was for only 750,000 square feet of graffiti removal, while the bid in 2015 was for 1,000,000 square feet of graffiti removal (page 1 of the attachment). Below is a summary of the bids submitted by Woods:

Year 2010 for 750,000 sqft at a total cost \$592,500 (approx. \$0.79 per sqft)

Year 2015 for 1,000,000 sqft at a total cost \$167,000 (approx. \$0.167 per sqft)

UNIT PRICE REDUCTION FROM 2010 TO 2015 IS 79%

No one has a better understanding of the costs associated with the Graffiti Abatement Services project for Mesa than GPC, as GPC has performed this work for the past five years. When GPC originally bid the job in 2010, the City had a very serious graffiti problem and the size of the removals were quite large. Over time, due to the success of the program, the size of removals became greatly decreased. Every year the average removal gets smaller and smaller. In Calendar Year 2014, 16,243 of the 22,008 work orders were 10 square feet or less, with an



average of 4.2 square feet per removal. Based on Woods' pricing, approximately 8 out of their 10 jobs would be for \$0.70. Factor the staffing and fuel requirements to meet the strict response time limits in the contract scope, for a City that covers 136 square miles, in addition to the requirement for 100% acrylic paint, and numbers simply do not add up.

The City, in its Intent to Award notice, is seeking to make GPC the "secondary" contractor. In 2010, when GPC was awarded the graffiti abatement contract, there was no "secondary" contractor. It appears the City is requesting GPC to perform work on an on-call basis when Woods does not meet the City's expectations on specific job(s). There are two problems with this. First, within the City's Intent to Award notice, the contract Not-To-Exceed amount is for Woods' bid amount of \$167,000. GPC submitted a legitimate price for a top flight quality job and GPC would not be willing to perform the work at Woods' prices.

Secondly, the City is asking GPC to integrate with Woods performing jobs on-call for tasks they are either unwilling or unable to perform. GPC refuses to ball out Woods in any manner as GPC finds their business practices unacceptable. To provide an example, in 2012 in the City of Bell, Woods under bid the job for graffiti abatement services. GPC warned the City, as GPC is doing with Mesa, that the job cannot be done to the City's expectations at such an irresponsible price. Wood's owner staked his represented reputation on the line at the Bell Council Meeting that his firm could perform the work at their bid price and provide the same level of service they had received from GPC. The City ended up parting ways with Woods before the contract term ended, and forcing the cash strapped City to rebid the project. GPC was awarded the new contract, but at a much higher price than originally bid as the City had to pay for bringing the appearance of the community back to the standards as when GPC held the contract. Alex Fong at the City of Bell can be contacted at (323) 588-6211 for more details.

In order to gain insight on Woods' mindset, please see the email sent to one of our corporate officers the night the Bell contract was awarded to Woods on page 3 of the attachment. In particular, the email address and comments. This email was sent to the female President of our firm, Carla Lenhoff, after Woods was awarded the Bell contract. Our investigation into this email, which included the IP trace of the email, is on pages 4 and 5 of the attachment. The IP trace shows that the email came from Woods' office location in North Hollywood California.



In an attempt to take an irresponsible and unreasonable bid, the City is denying the true lowest, responsive, and responsible bidder, GPC, the contract. It seems confusing and unconscionable that the City would award a contract to an out of state contractor, with no Arizona contracts, management, or staff that priced the job 79% below what that same contractor had been bid five years earlier. Factor in past performance and results of Woods in a near identical situation less than 3 years earlier, and the City is penalizing the community and taxpayers with high future costs in a blind attempt to award a contract to a bidder that was not responsible or reasonable in their bid price.

GPC submitted the lowest bid, that was both reasonable and responsible and meets the high expectations and standards expected in the City and should be awarded the contract.

A hard copy of this letter will be mailed to Mr. Matt Bauer

Sincerely,

Lupe Mercado Graffiti Protective Coatings, Inc. (520) 301-5139 mobile

## CITY OF MESA TABULATION OF BIDS RECEIVED TUESDAY, MARCH 31, 2015 GRAFFITI ABATEMENT (INVITATION FOR BID #2015198)

Vendor	Total Net Bid
A Mind for Details – Mesa, AZ.	\$533,000.00
C & E Services, Inc. – Phoenix, AZ.	\$547,000.00
Graffiti Protective Coatings, Inc. – Mesa, AZ.	\$327,000.00
Woods Maintenance Services, Inc. North Hollywood, CA.	\$167,000.00

## CITY OF MESA AWARD RECOMMENDATION GRAFFITI ABATEMENT SERVICES (REQUEST FOR BID #2010161) Contract valid Through June 30, 2011

### Graffiti Protective Coatings, Inc. Tucson, AZ

Description	Award Amount
Graffiti Abatement Services including: Paint Out Method, Chemical Blasting or other Removal Method and Miscellaneous Labor – One (1) Man Crew	\$138,500

<sup>&</sup>quot;No-Bid" Response received from: Graffiti Doctors - Las Vegas, NV

#### May 2010 Bid Results:

Graffiti Protective Coatings, Inc. Tucson, AZ	\$138,500 (Recommended)
All Economy Mobile Wash Inc. Mesa, AZ	\$183,490
Diversified Painting Services LLC Mesa, AZ	\$357,800
A Mind for Detail Inc. Mesa, AZ	\$358,500
DPX Scottsdale, AZ	\$426,600
Woods Maintenance Services, Inc., dba, Graffiti Control Systems North Hollywood, CA	\$592,500
Atarip LLC, dba, Atarip Professional Graffiti Removal Mesa, AZ	\$995,350
Elite Chandler, AZ	\$1,325,900

#### **Sandy Corbett**

From:

Urban <burst@emailmeform.com>

Sent:

Wednesday, January 11, 2012 10:17 PM

To:

sandy@gpcarizona.com

Subject:

Feedback via the GPC CA Contact Form

First Name\*:

Urban

Last Name:

Graffiti

Email Address\*:

carlabitch@imaloser.com

Address 1:

Address 2:

City:

State:

Zip:

**Daytime Phone:** 

**Evening Phone:** 

**Comments:** 

Thanks for the City of Bell. The rest of your contracts will soon follow. Suggest you start

filing for unemployment, Carla, if there is any Escada Store that will hire a bitch!

#### Powered by EmailMeForm

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.1901 / Virus Database: 2109/4737 - Release Date: 01/11/12



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#### IP Details for 69.198.86.129

This information should not be used for emergency purposes, trying to find someone's exact physical address, or other purposes that would require 100% accuracy. Please read about <u>deolocation accuracy</u> for more information.

69.198.86.129

Lookup IP Address

#### Quick Links:

- · General IP Information
- · Geologation Information
- Geolocation Map
- · Comments about this IP address

#### **General IP Information**

IP: 69,198.86,129 Decimal: 1170626177 Hostname: 69,198.86,129

ISP: CBEYOND COMMUNICATIONS, LLC

Organization: Woods Maintenance Services

Services: None detected

Type: Corporate

Assignment: Static IP

Blacklist: Blacklist Check

#### Geolocation Information

Country: United States ::

State/Region: California

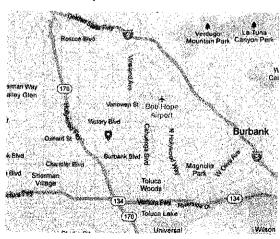
City: North Hollywood

Latitude: **34.1783** 

Longitude: -118.3812

Area Code: 818

#### Geolocation Map





#### **User Comments**

No comments. Be the first to add one.

Enter up to 500 characters in your comment about this IP address.

Submit comment

#### **Related Articles**

- · How accurate is geologation?
- · How do I hide my IP address?
- How do I change my IP address?
- · What is a proxy server?

Ads by Google

Trace IP Address

What Is My IP

Locate a IP

IP to Country

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Privacy Policy Terms of Use Contact

# Attachment B- Response by Woods demonstrating his mindset and character with numbered paragraphs

CA 741322 NV 58462 AZ 282667

May 20, 2015

Mr. Matt Bauer Procurement Administrator 20 East Main Street, Suite 400 Mesa, AZ 85211 RECEIVED

MAY 26 2015

Purchasing

#### Re: Response to Protest To Award IFB 2015198

Dear Mr. Bauer,

Thank you for the opportunity to respond to what appears to be another case of sour grapes. My only surprise, based on the history and modus operandi of Graffiti Protective Coatings, is that their letter of protest was not included in their original bid submission.

GPC has a long history of protest, complaint, circumventing the system and questionable business practices. This is just another attempt at discrediting a competitor to gain that which was not earned.

There are so many examples; I am at a loss of where to begin. However, let's start with the bid itself. In 2010, GPC submitted a bid for what appears to be the same work for \$138,500. Understandably, in the ensuing 5 years, they received an 11% increase to their billable rate (\$0.18/square foot to \$0,20). Now in 2015, claiming how successful their program has been, they submit a bid of \$327,000, which represents a 60% increase in their billable rate (\$0.20 to \$0.32/square foot), and with a straight face still insist graffiti is down. The bid we submitted was in line with what GPC bid 5 years ago.

In Las Vegas in 2010, our company was performing graffiti removal in Phase I of the Clark County graffiti removal program for \$258,000 annually, while GPC was performing in Phase 2 for \$833,925.44, having it increased it each year from the original \$768,000. When a new bid was let, GPC lowered their price to \$468,800 for an area that not only included their current area (at nearly \$834k/year), but also included our area (\$258k/year), and an additional new area. There are 2 ways to look at this. First, GPC was overcharging for years, including asking for 3% annual increases in 3 consecutive years (we never requested an increase). Second, GPC lowballed their bid to ensure they would be awarded the contract, as this was a low bid contract, rather than an RFP. GPC bid a price 44% LESS than what they were getting paid for their current area, and 57% LESS than the combined rates of the Phase 1 and Phase 2 areas. Yet, GPC makes no mention of this when describing their history of bidding. And why would they? They look bad either way: either they were vastly overcharging a County agency for years, or they were bidding with an "irresponsible price." No other conclusion can logically be made.

(O) 800.794.7384 (F) 818.764.2516

www.graffiticontrol.com

7260 ATOLL AVENUE NORTH HOLLYWOOD, CA 91605 We can move over to Arizona for a minute to bring it closer to home. In 2011, GPC filed another protest against a local and successful contractor. See a pattern developing? There was a bid let for Transit Cleaning Services in Phoenix that was being recommended for award to A Mind for Detail. True to form, GPC filed a protest to find the lowest responsible bidder non-responsive and award to, wait for it...GPC. Obviously the protest was without merit, denied, and the bid awarded to A Mind for Detail.

In 2011, GPC filed a Cease and Desist Order against Woods Maintenance Services for work in Mesa, Arizona from 2 years earlier. Since we had never done any work, or had any contract in Arizona, much less Mesa, the Registrar of Contractors dismissed the order. Not content with the result on their frivolous claim, GPC filed another Cease and Desist Order against us for Tucson, Arizona. Their claim...we *bid* for a job without being properly licensed.

In fact, we did bid a graffiti abatement job in Tucson, though there was not a public opening, nor had bids been evaluated or posted. It is strange how GPC was able to obtain bidder information in a closed system.

Now for the interesting parts. The real issue comes down to our bid, our application for a license, and the ulterior motives of the complainant. In 2006, Tucson let a bid for graffiti abatement and a contractor's license was not mentioned as being necessary for this procurement. In an addendum to the 2006 RFP, a clarification was issued, reaffirming that a license was **not required** for the exact same work. GPC bid on the job, received the contract, and commenced contract performance——ALL without a contractor's license. It was not until six months later, in December 2006, when they actually became licensed.

Fast forward to 2011. Tucson lets a new graffiti abatement contract with virtually an identical scope and there was no mention of the need for a license, much as the previous bid. At the pre-bid meeting there was no mention or clarification regarding this issue. However, two days after the pre-bid meeting, and less than a week prior to the bid submission date, an addendum was issued declaring a contractor's license was required AT THE TIME OF AWARD.

Upon learning of this new wrinkle, our company pulled out all stops and devoted its energy to securing the required license before Tucson would award the bid, as we were hoping to be the lowest responsible bidder. This entailed ordering the study booklet, scheduling a license exam, obtaining a statement of "Good Standing" from the California Contractors Board, obtaining a certified copy of Articles of Incorporation, taking the exam, obtaining the Transaction Privilege Number, turning everything into the Corporation Commission to certify our firm, waiting for their approval, and finally submitting the paperwork to the AzROC.

The end result was that AzROC, after multiple hearings, ruled that the law was specific. Despite the City of Tucson telling us we had until time of award, the hearing officer stated that the law required that it was needed at time of bid, and that our license application would be withheld for 1 year. I will not make guesses here as to how or why all of a sudden a license would be required and how it could be "mistakenly" stated that it was at time of award. I have my suspicions.

Let's continue this journey to one year after AzROC's decision to withhold our application when we submit our application for reconsideration of our license. Lo and behold, the same law firm that filed the protest against A Mind for Detail on behalf of GPC had submitted a letter encouraging AzROC NOT to issue a license to our firm, as we were an undesirable contractor who violates state law! Needless to say, the Registrar saw through this and awarded us our State Contractor's License.

GPC does not stop at filing frivolous claims and protests against contractors, they also file them against cities. In 2008 they initiated a lawsuit against four defendants, including the City of Pico Rivera for defamation and libel stemming from cancelling their contract and awarding another, larger contract to a more qualified firm. Four years later, Pico Rivera, having had enough, settled for a stipulated payment of \$20,000.

In the City of Bell, GPC was able to garner favor amongst the council and Mayor for prime contracts in multiple disciplines. Later the entire council and Mayor were indicted for corruption and bribery, with most of the officials imprisoned. Among those contracts, GPC bid and won a contract for street sweeping. Amazing that this firm had never performed this service nor did they have the equipment. The contract provides for a \$20,000 retainer so GPC could purchase the street sweeper. Five years later, the City apparently began paying GPC an additional \$3,000 PER MONTH (a 30% increase in the monthly service price, for which I have not been able to find where the City Council approved this additional compensation, in clear violation of the contract language.) The only documentation I was able to procure through a public records request was a letter written from Ms. Lenhoff to Luis Ramirez stating that GPC had purchased a new sweeper truck and "GPC will be increasing the monthly fee by \$3,000 for a new total of \$13,000 per month...." Contracts and amendments are written to protect both the contractor and the City. As we found out in 2010, apparently that wasn't the case in Bell.

When we took over the City of Bell, we did so at a lower cost and better service. We maintained the contract for one year and when the option to renew was up, we declined our legal right to continue the contract. The Code Enforcement Department and the Police Department loved our work. When the city staff was changed, and a new agenda was made clear, we found ourselves in an untenable situation. It was abundantly clear that someone did not want us in Bell, and wanted someone else, and we chose to assert our option, legally, rightfully, and timely, not renew our option year. Sufficient notice was provided to the City, and we worked as hard on our last day, as we had on our first.

Though we may not have felt respected by some in the City staff, we always knew that we were working for the people of Bell. And they deserved our best.

In both the City of Bell and the City of Santa Ana, we have pictures and abatement reports that are more than suspect. GPC had claimed, invoiced and was paid for vastly inflated and or erroneous abatements. On one address they stated 10,000 square feet of removal from a bike path. It was a small house with no adjacent bike path and had a chain link fence. There was no place 10,000 square feet could be measured. There were several other addresses that they claimed to have removed on consecutive days 7,000-10,000 square feet of graffiti that was essentially impossible to have done. These instances are not isolated. There is a pattern of this abatement and billing practice.

In San Jose, NBC did an expose on the questionable billing practices of GPC, a link to the video may be found at: <a href="https://www.youtube.com/watch?v=-pnTdjD0ZYM">https://www.youtube.com/watch?v=-pnTdjD0ZYM</a>

In 2012, while under contract with the City of Burbank, their employee, who was in charge of abating the graffiti within the city, was found and arrested for tagging in the city. No better way to keep your staff employed, I guess. <a href="http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work">http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work</a>

Finally, Mr. Bauer, I would like to point out the ridiculous claims that GPC makes in their protest letter with regard to the number of work orders they completed in in Mesa in 2014. According to the City of Mesa in its amended Addendum #1, the current contractor (GPC) invoiced the City \$158,137.56. Further, in 2014, GPC claims to have completed 22,008 work orders, 16,243 of which averaged 4.2 square feet, for a total of 68,221 square feet.

Using their 2014 price of \$0.18/per square foot you would come to a total price for these abatements of \$12,279.78. Using our price of \$0.16/square foot this total is \$10,915.36. The difference of \$1,364 is minimal (less than 1% of invoiced amount) when you consider that, once again, according to GPC's and Mesa's numbers, the balance of the 5,765 jobs accounted for \$145,857.78. Simple math shows that each of these jobs averages 140 square feet, which GPC, of course, failed to mention. Bottom line, GPC has been doing this job for 5 years, claims to have reduced graffiti significantly, and now are stating that what they have done for the past 5 years cannot be done at similar price by someone else. This argument doesn't hold.

Let's put 2014 in perspective with Woods vs. GPC and how the costs would stack up:

GPC - 16,243 abatements (4.2 sf) = 68,220 sf X \$ .18 = \$ 12,280 GPC - 5,765 abatements (140 sf) = 810,322 sf X \$ .18 = \$145,858 TOTAL BILLED: 22,008 removals totaling 878,542 square feet for \$158.138

WMS - 16,243 abatements (4.2 sf) = 68,220 sf X \$ .16 = \$ 10,915 WMS - 5,765 abatements (140 sf) = 810,322 sf X \$ .16 = \$129,561 TOTAL IF BILLED: 22,008 removals totaling 878,542 square feet for \$140,565

As is evident from the above, there would have been a small difference in pricing between the two firms. What makes it seem substantial is that GPC DOUBLED their pricing going forward, while insisting graffiti is down.

What the bottom line is, the 2014 abatement was \$158,000. Our bid for 2015 is \$167,000, and graffiti is reportedly down. Is this concept unreasonable? Is this pricing out of line? I fail to see the incongruity of the bid. What seems more suspect is the doubling of the bid to \$327,000. Now THAT is suspicious.

What further boggles my mind is that GPC claims it completed 22,008 work orders in calendar 2014. Working 5 days per week, this would equate to 84 completed work orders per day, including 22 of which average 140 square feet. Once again, as we have found in Bell, Santa Ana, Long Beach and San Jose, GPC's numbers simply do not pass the smell test. Based on our over 30 years in the graffiti removal business, including having graffiti contracts in some of the most heavily tagged areas of South Los Angeles, this type of output cannot be accomplished in the manner in which GPC claims, for the price they have billed for the past 5 years. The sheer manpower is more than what was being provided to the city. Hence, I know at least 1 of 2 things must be true: the number of completed work orders is incorrect, or the square footage totals are being inflated. GPC can't have it both ways.

Mr. Bauer, I think I have belabored the point that I believe Graffiti Protective Coatings is a litigious, protesting, dishonest, unscrupulous, and disgruntled contractor, who will use whatever means available to secure and keep lucrative contracts, even if not completely legal and above board.

Our record of 40 years speaks for itself, and I do not think it is necessary to defend our firm or our bid. They stand on their own merit.

However, I would suggest and I would agree to pay the wages of a city staff member familiar with graffiti on their off (Friday) work day. Their job would be a Ride-Along with one of the current contractor's personnel. They would become familiar first hand with the graffiti in your city, the hard work and what's involved up close and personal with its abatement and annotation, so they can better understand the procurement.

By doing this, you will see if it is even possible for a single technician to handle 30-45 work orders, averaging approximately between 1, 200 and 1,700 square feet in a standard, 8 hour work day. If this miracle were to transpire, in addition to paying the wages of the Mesa observer, I would make a \$5,000 donation to a charity of Mesa's choice and humbly withdraw our bid for this project. Keep in mind that that these figures

are based on Mesa and GPC provided numbers, and that this output would be required of 2 or 3 technicians EVERY SINGLE work day.

Mr. Bauer, I honestly expect GPC to file some manner of lawsuit against us for the truths contained herein, and would more than welcome the open courtroom environment to settle this once and for all. Two other prominent and well-known contractors in California are well acquainted with GPC and would lend impartial ears to the proceedings.

I hope I have clarified the issues and the real reasons that precipitated the protest, totally unrelated to our "low" pricing. If you have any additional questions or concerns, I would be most happy to address them.

Sincerely,

Barry Woods President

## **Attachment C- Original Decision of Procurement Administrator**



20 E Main St Suite 400 PO Box 1466 Mesa, Arizona 85211-1466

mesaaz.gov

CERTIFIED MAIL # 91 7108 2133 3939 4780 2589

June 3, 2015

Mr. Lupe Mercado Graffiti Protective Coatings, Inc. 515 E. Grant Road, Suite 121, PMB 221 Tucson, AZ 85705 Fax: 520-884-5046

Email: lupels\_2006@yahoo.com

RE:

City of Mesa Response
Protest of Intent to Award
Invitation for Bid #2015198 ("IFB")

Dear Mr. Mercado,

This letter will serve as the City of Mesa's ("City") response to your letter received by email on May 11, 2015 in which you protest the Intent of Award for Invitation for Bid #2015198 ("Protest"). Pursuant to Section 6.3(B) of the City of Mesa Procurement Rules, the City allowed Woods Maintenance Services, Inc. ("Woods"), as an Interested Party, to file a written response to the Protest by the end of business on May 27, 2015. Woods provided a response to the Protest to the City on May 20, 2015, a copy of which is attached to this letter for your reference. This letter is submitted to you in accordance with the City of Mesa Procurement Rules ("Procurement Rules)") Section 6.3. Your protest is denied for the below stated reasons.

- 1. Your firm claims that Woods bid "is too far below cost" and that doing so "renders their bid not responsible." Based upon the information provided by Woods in its response, Woods feels confident in the pricing they submitted and there is no indication to the City that Woods would not be a responsible contractor who would be unable to provide the service for the stated bid amount. It is the vendor's obligation to price their services appropriately to ensure they receive reasonable profits for the work they conduct. Your claim does not constitute a valid basis for protest as the City has confirmed with Woods that the vendor is able to perform the services for the amount bid.
- 2. You identify that the unit prices from year 2010 (\$0.79) that Woods submitted in response to a similar solicitation issued by the City, in comparison to the prices submitted by Woods for the IFB (\$0.167), were reduced by 79%. It is not uncommon for vendors to change their pricing over the years, which may be done for a variety of reasons. Woods changing their bid price as compared to a previous solicitation does not constitute a valid basis for protest.
- 3. Your protest states that GPC is unwilling to be a secondary contractor under the solicitation. Per section i.17 of the IFB, the City reserves the right to make multiple awards if it is in the best interests of the City to do so. The City maintains a secondary vendor under a variety of contracts. The City identified the award amount of \$167,000 based on the work being completed through the primary (Woods). The City at no time

stated that GPC would be required to "perform the work at Woods' prices," as you stated in your Protest, but rather GPC would perform the work based on the pricing provided by GPC in their response to the IFB and the needs of the City.

has believed to find 40. The protest speaks generally to the responsibility of Woods and provides a reference as to an issue Woods had with another City and an email GPC received. The City, in its which is a very several very se most vote a week in the feedback on the work Woods completed. The email you provided in your protest letter appears to involve a private matter between your firm and an unidentified person; the City is not a party to this issue. The City looks to the overall responsibility of a vendor the control of Woods' work therefore your claim related to the responsibility of Woods is denied.

The City's Notice of Intent to Award was submitted to the lowest priced, responsive, responsible which is the respondent. After review of the allegations your firm submitted in the Protest and the response submitted by Woods, the City did not find a valid basis for protest to modify the Notice of Intent to Award. As it pertains to the secondary award, if GPC is unwilling to be a secondary awardee under the IFB, the City will remove your firm from consideration.

For all of the aforementioned reasons, your protest is denied. Pursuant to Procurement Rule Section 6.4, you may appeal this decision within seven (7) calendar days to the Chief Procurement Officer.

The City of Mesa Procurement Rules are available at http://www.mesaaz.gov/business/purchasing under Policy Documents.

Please address all correspondence to:

Chief Procurement Officer City of Mesa 20 E. Main Street, Suite 450 Mesa, AZ 85122-1466

Sincerely.

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and the street of the

and the line.

Matthew Bauer **Procurement Administrator** 

Attachment(s)

CC:

Ed Quedens, Chief Procurement Officer Barry Woods, Woods Maintenance Services, Inc.



20 E Main St Suite 400 PO Box 1466 Mesa, Arizona 85211-1466

mesaaz.gov

CERTIFIED MAIL # 91 7108 2133 3939 4780 2589

June 3, 2015

Mr. Lupe Mercado Graffiti Protective Coatings, Inc. 515 E. Grant Road, Suite 121, PMB 221 Tucson, AZ 85705

Fax: 520-884-5046

Email: lupels 2006@yahoo.com

RE:

City of Mesa Response
Protest of Intent to Award
Invitation for Rid #2015198

Invitation for Bid #2015198 ("IFB")

Dear Mr. Mercado,

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Which is read to discover 400. The protest speaks generally to the responsibility of Woods and provides a reference as to an issue Woods had with another City and an email GPC received. The City, in its ough is in sufficiency who where evaluation of Woods' bid response, contacted multiple references who provided positive feedback on the work Woods completed. The email you provided in your protest letter appears to involve a private matter between your firm and an unidentified person; the City is not a party to this issue. The City looks to the overall responsibility of a vendor along the property of the second of the seco ta fan grider of Person and the City has multiple references that speak to the quality of Woods' work therefore your claim related to the responsibility of Woods is denied.

The City's Notice of Intent to Award was submitted to the lowest priced, responsive, responsible the response of the fraction of the Protest and the response submitted by Woods, the City did not find a valid basis for protest to modify the Notice of Intent to Award. As it pertains to the secondary award, if GPC is unwilling to be a secondary awardee under the IFB, the City will remove your firm from consideration.

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The City of Mesa Procurement Rules are available at http://www.mesaaz.gov/business/purchasing under Policy Documents.

Please address all correspondence to:

Chief Procurement Officer City of Mesa 20 E. Main Street, Suite 450 Mesa, AZ 85122-1466

Sincerely

u af Bali Yu

, Adamie

Matthew Baile

Procurement Administrator

Attachment(s)

CC:

Ed Quedens, Chief Procurement Officer Barry Woods, Woods Maintenance Services, Inc.





May 20, 2015

Mr. Matt Bauer Procurement Administrator 20 East Main Street, Suite 400 Mesa, AZ 85211 MAY 2 6 2015

#### Re: Response to Protest To Award IFB 2015198

Dear Mr. Bauer,

Thank you for the opportunity to respond to what appears to be another case of sour grapes. My only surprise, based on the history and modus operandi of Graffiti Protective Coatings, is that their letter of protest was not included in their original bid submission.

GPC has a long history of protest, complaint, circumventing the system and questionable business practices. This is just another attempt at discrediting a competitor to gain that which was not earned.

There are so many examples; I am at a loss of where to begin. However, let's start with the bid itself. In 2010, GPC submitted a bid for what appears to be the same work for \$138,500. Understandably, in the ensuing 5 years, they received an 11% increase to their billable rate (\$0.18/square foot to \$0.20). Now in 2015, claiming how successful their program has been, they submit a bid of \$327,000, which represents a 60% increase in their billable rate (\$0.20 to \$0.32/square foot), and with a straight face still insist graffiti is down. The bid we submitted was in line with what GPC bid 5 years ago.

In Las Vegas in 2010, our company was performing graffiti removal in Phase I of the Clark County graffiti removal program for \$258,000 annually, while GPC was performing in Phase 2 for \$833,925.44, having it increased it each year from the original \$768,000. When a new bid was let, GPC lowered their price to \$468,800 for an area that not only included their current area (at nearly \$834k/year), but also included our area (\$258k/year), and an additional new area. There are 2 ways to look at this. First, GPC was overcharging for years, including asking for 3% annual increases in 3 consecutive years (we never requested an increase). Second, GPC lowballed their bid to ensure they would be awarded the contract, as this was a low bid contract, rather than an RFP. GPC bid a price 44% LESS than what they were getting paid for their current area, and 57% LESS than the combined rates of the Phase 1 and Phase 2 areas. Yet, GPC makes no mention of this when describing their history of bidding. And why would they? They look bad either way: either they were vastly overcharging a County agency for years, or they were bidding with an "irresponsible price." No other conclusion can logically be made.

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7260 ATOLL AVENUE NORTH HOLLYWOOD, CA 91605 We can move over to Arizona for a minute to bring it closer to home. In 2011, GPC filed another protest against a local and successful contractor. See a pattern developing? There was a bid let for Transit Cleaning Services in Phoenix that was being recommended for award to A Mind for Detail. True to form, GPC filed a protest to find the lowest responsible bidder non-responsive and award to, wait for it...GPC. Obviously the protest was without merit, denied, and the bid awarded to A Mind for Detail.

In 2011, GPC filed a Cease and Desist Order against Woods Maintenance Services for work in Mesa, Arizona from 2 years earlier. Since we had never done any work, or had any contract in Arizona, much less Mesa, the Registrar of Contractors dismissed the order. Not content with the result on their frivolous claim, GPC filed another Cease and Desist Order against us for Tucson, Arizona. Their claim...we *bid* for a job without being properly licensed.

In fact, we did bid a graffiti abatement job in Tucson, though there was not a public opening, nor had bids been evaluated or posted. It is strange how GPC was able to obtain bidder information in a closed system.

Now for the interesting parts. The real issue comes down to our bid, our application for a license, and the ulterior motives of the complainant. In 2006, Tucson let a bid for graffiti abatement and a contractor's license was not mentioned as being necessary for this procurement. In an addendum to the 2006 RFP, a clarification was issued, reaffirming that a license was **not required** for the exact same work. GPC bid on the job, received the contract, and commenced contract performance---ALL without a contractor's license. It was not until six months later, in December 2006, when they actually became licensed.

Fast forward to 2011. Tucson lets a new graffiti abatement contract with virtually an identical scope and there was no mention of the need for a license, much as the previous bid. At the pre-bid meeting there was no mention or clarification regarding this issue. However, two days after the pre-bid meeting, and less than a week prior to the bid submission date, an addendum was issued declaring a contractor's license was required **AT THE TIME OF AWARD**.

Upon learning of this new wrinkle, our company pulled out all stops and devoted its energy to securing the required license before Tucson would award the bid, as we were hoping to be the lowest responsible bidder. This entailed ordering the study booklet, scheduling a license exam, obtaining a statement of "Good Standing" from the California Contractors Board, obtaining a certified copy of Articles of Incorporation, taking the exam, obtaining the Transaction Privilege Number, turning everything into the Corporation Commission to certify our firm, waiting for their approval, and finally submitting the paperwork to the AzROC.

The end result was that AzROC, after multiple hearings, ruled that the law was specific. Despite the City of Tucson telling us we had until time of award, the hearing officer stated that the law required that it was needed at time of bid, and that our license application would be withheld for 1 year. I will not make guesses here as to how or why all of a sudden a license would be required and how it could be "mistakenly" stated that it was at time of award. I have my suspicions.

Let's continue this journey to one year after AzROC's decision to withhold our application when we submit our application for reconsideration of our license. Lo and behold, the same law firm that filed the protest against A Mind for Detail on behalf of GPC had submitted a letter encouraging AzROC NOT to issue a license to our firm, as we were an undesirable contractor who violates state law! Needless to say, the Registrar saw through this and awarded us our State Contractor's License.

GPC does not stop at filing frivolous claims and protests against contractors, they also file them against cities. In 2008 they initiated a lawsuit against four defendants, including the City of Pico Rivera for defamation and libel stemming from cancelling their contract and awarding another, larger contract to a more qualified firm. Four years later, Pico Rivera, having had enough, settled for a stipulated payment of \$20,000.

In the City of Bell, GPC was able to garner favor amongst the council and Mayor for prime contracts in multiple disciplines. Later the entire council and Mayor were indicted for corruption and bribery, with most of the officials imprisoned. Among those contracts, GPC bid and won a contract for street sweeping. Amazing that this firm had never performed this service nor did they have the equipment. The contract provides for a \$20,000 retainer so GPC could purchase the street sweeper. Five years later, the City apparently began paying GPC an additional \$3,000 PER MONTH (a 30% increase in the monthly service price, for which I have not been able to find where the City Council approved this additional compensation, in clear violation of the contract language.) The only documentation I was able to procure through a public records request was a letter written from Ms. Lenhoff to Luis Ramirez stating that GPC had purchased a new sweeper truck and "GPC will be increasing the monthly fee by \$3,000 for a new total of \$13,000 per month...." Contracts and amendments are written to protect both the contractor and the City. As we found out in 2010, apparently that wasn't the case in Bell.

When we took over the City of Bell, we did so at a lower cost and better service. We maintained the contract for one year and when the option to renew was up, we declined our legal right to continue the contract. The Code Enforcement Department and the Police Department loved our work. When the city staff was changed, and a new agenda was made clear, we found ourselves in an untenable situation. It was abundantly clear that someone did not want us in Bell, and wanted someone else, and we chose to assert our option, legally, rightfully, and timely, not renew our option year. Sufficient notice was provided to the City, and we worked as hard on our last day, as we had on our first.

Though we may not have felt respected by some in the City staff, we always knew that we were working for the people of Bell. And they deserved our best.

In both the City of Bell and the City of Santa Ana, we have pictures and abatement reports that are more than suspect. GPC had claimed, invoiced and was paid for vastly inflated and or erroneous abatements. On one address they stated 10,000 square feet of removal from a bike path. It was a small house with no adjacent bike path and had a chain link fence. There was no place 10,000 square feet could be measured. There were several other addresses that they claimed to have removed on consecutive days 7,000-10,000 square feet of graffiti that was essentially impossible to have done. These instances are not isolated. There is a pattern of this abatement and billing practice.

In San Jose, NBC did an expose on the questionable billing practices of GPC, a link to the video may be found at: <a href="https://www.youtube.com/watch?v=-pnTdiD0ZYM">https://www.youtube.com/watch?v=-pnTdiD0ZYM</a>

In 2012, while under contract with the City of Burbank, their employee, who was in charge of abating the graffiti within the city, was found and arrested for tagging in the city. No better way to keep your staff employed, I guess. <a href="http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work">http://www.dailynews.com/20121109/burbank-police-say-city-unknowingly-paid-graffiti-tagger-to-remove-his-own-work</a>

Finally, Mr. Bauer, I would like to point out the ridiculous claims that GPC makes in their protest letter with regard to the number of work orders they completed in in Mesa in 2014. According to the City of Mesa in its amended Addendum # 1, the current contractor (GPC) invoiced the City \$158,137.56. Further, in 2014, GPC claims to have completed 22,008 work orders, 16,243 of which averaged 4.2 square feet, for a total of 68,221 square feet.

Using their 2014 price of \$0.18/per square foot you would come to a total price for these abatements of \$12,279.78. Using our price of \$0.16/square foot this total is \$10,915.36. The difference of \$1,364 is minimal (less than 1% of invoiced amount) when you consider that, once again, according to GPC's and Mesa's numbers, the balance of the 5,765 jobs accounted for \$145,857.78. Simple math shows that each of these jobs averages 140 square feet, which GPC, of course, failed to mention. Bottom line, GPC has been doing this job for 5 years, claims to have reduced graffiti significantly, and now are stating that what they have done for the past 5 years cannot be done at similar price by someone else. This argument doesn't hold.

Let's put 2014 in perspective with Woods vs. GPC and how the costs would stack up:

GPC - 16,243 abatements (4.2 sf) = 68,220 sf X \$ .18 = \$ 12,280 GPC - 5,765 abatements (140 sf) = 810,322 sf X \$ .18 = \$145,858 TOTAL BILLED: 22,008 removals totaling 878,542 square feet for **\$158.138** 

WMS - 16,243 abatements (4.2 sf) = 68,220 sf X \$ .16 = \$ 10,915 WMS - 5,765 abatements (140 sf) = 810,322 sf X \$ .16 = \$129,561 TOTAL IF BILLED: 22,008 removals totaling 878,542 square feet for **\$140,565** 

As is evident from the above, there would have been a small difference in pricing between the two firms. What makes it seem substantial is that GPC DOUBLED their pricing going forward, while insisting graffiti is down.

What the bottom line is, the 2014 abatement was \$158,000. Our bid for 2015 is \$167,000, and graffiti is reportedly down. Is this concept unreasonable? Is this pricing out of line? I fail to see the incongruity of the bid. What seems more suspect is the doubling of the bid to \$327,000. Now THAT is suspicious.

What further boggles my mind is that GPC claims it completed 22,008 work orders in calendar 2014. Working 5 days per week, this would equate to 84 completed work orders per day, including 22 of which average 140 square feet. Once again, as we have found in Bell, Santa Ana, Long Beach and San Jose, GPC's numbers simply do not pass the smell test. Based on our over 30 years in the graffiti removal business, including having graffiti contracts in some of the most heavily tagged areas of South Los Angeles, this type of output cannot be accomplished in the manner in which GPC claims, for the price they have billed for the past 5 years. The sheer manpower is more than what was being provided to the city. Hence, I know at least 1 of 2 things must be true: the number of completed work orders is incorrect, or the square footage totals are being inflated. GPC can't have it both ways.

Mr. Bauer, I think I have belabored the point that I believe Graffiti Protective Coatings is a litigious, protesting, dishonest, unscrupulous, and disgruntled contractor, who will use whatever means available to secure and keep lucrative contracts, even if not completely legal and above board.

Our record of 40 years speaks for itself, and I do not think it is necessary to defend our firm or our bid. They stand on their own merit.

However, I would suggest and I would agree to pay the wages of a city staff member familiar with graffiti on their off (Friday) work day. Their job would be a Ride-Along with one of the current contractor's personnel. They would become familiar first hand with the graffiti in your city, the hard work and what's involved up close and personal with its abatement and annotation, so they can better understand the procurement.

By doing this, you will see if it is even possible for a single technician to handle 30-45 work orders, averaging approximately between 1, 200 and 1,700 square feet in a standard, 8 hour work day. If this miracle were to transpire, in addition to paying the wages of the Mesa observer, I would make a \$5,000 donation to a charity of Mesa's choice and humbly withdraw our bid for this project. Keep in mind that that these figures

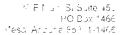
are based on Mesa and GPC provided numbers, and that this output would be required of 2 or 3 technicians EVERY SINGLE work day.

Mr. Bauer, I honestly expect GPC to file some manner of lawsuit against us for the truths contained herein, and would more than welcome the open courtroom environment to settle this once and for all. Two other prominent and well-known contractors in California are well acquainted with GPC and would lend impartial ears to the proceedings.

I hope I have clarified the issues and the real reasons that precipitated the protest, totally unrelated to our "low" pricing. If you have any additional questions or concerns, I would be most happy to address them.

Sincerely,

Barry Woods President





July 1, 2015

via email: gpcla@msn.com via certified mail: 91 7108 2133 3936 1629 4202

Ms. Carla Lenhoff Graffiti Protective Coatings 515 East Grant Road Suite 141, PMB 221 Tucson, Arizona 85705

RE: Response to Protest Appeal IFB 2015198 Graffiti Abatement

Ms. Lenhoff:

This letter is the City of Mesa's ("City") response to GPC's letter dated June 8, 2015 appealing the protest decision of the City Procurement Officer.

An appeal of a protest decision must meet the requirements of City of Mesa Procurement Rule Section 6.4. A failure to meet the requirements entitles the Chief Procurement Officer to deny the appeal before moving it to the City Manager or Designee. I am denying your request for an appeal because the appeal does not include a "precise factual or legal error in the protest decision" as required in Section 6.4 (B)(3).

Specifically, the appeal continues the arguments from the original protest about Woods' responsibility. The Procurement Officer examined the responsibility of Woods and determined the vendor to be responsible; your appeal fails to demonstrate a factual or legal error on the part of the Procurement Officer. As Mr. Bauer indicated in the protest response, the City has confirmed Woods' ability to perform the services for the amount bid, contacted multiple references with positive feedback and determined Wood's response is responsive and responsible. Attempts to continue to raise the same argument, only modifying it by adding additional information, does not satisfy the requirement to demonstrate a factual or legal error on the part of the Procurement Officer. Your request for appeal is denied.

The City appreciates the work provided by GPC under the City's contract with GPC and hopes GPC will continue to bid on solicitations in the future.

Sincerely,

**Edward Quedens** 

Chief Procurement Officer Business Services Director