

Date: July 28, 2025

Board of Water Commissioners
c/o Detroit Water and Sewerage Department
735 Randolph Street, 5th Floor
Detroit, MI 48226

Re: Formal Bid Protest – RFB # 534156/Project # WS-741

Dear Board Members:

Pursuant to “**Article 21 – Bid Protest**”, Major Contracting Group is submitting a formal protest to the award recommendation of the DWSD Project WS-741. We understand that Lakeshore Global Corporation (LGC) submitted the apparent low bid of \$13,892,423.00, and that Major Contracting Group, Inc. submitted the second-lowest bid of \$14,658,000.00. On July 23, 2025, DWSD recommended the award of this project to Lakeshore Global.

While we respect the competitive nature of public bidding, we are compelled to raise a formal protest due to concerns regarding bid balancing. Upon review of the bid tabulation, it appears that several key items in Lakeshore’s bid may be significantly underpriced in a manner that could constitute unbalancing. Specifically:

- **2" Water Service Short and Long Replacements Pay items 21 and 22, respectively, were both bid at \$250.00 each. The cost of the copper tubing material alone for 2" copper services exceeds this price, not including sand, labor, equipment, and backfill.** The historic price range of the **2" Short Service** is from \$3,000.00 to \$4,500.00, and of the **2" Long Service** is from \$4,000.00 to \$5,500.00
- **In contrast, 1" Water Service Replacements (Short and Long) were bid at \$5,323.00 and \$6,100.00, respectively—amounts significantly higher than the 2" services, despite 2" services being more costly to furnish and install due to the higher cost of materials and more labor hours to install. This further illustrates the imbalance.**

- **1" Private Water Service Replacements** were also bid at \$250.00, again well below the cost of materials and labor for the installation of this item. The price range typically for a private water service is from \$2,500.00 to \$4,100.00. In addition to being **well below the current market rate** for this work, this pricing is also inconsistent **with Lakeshore's recent contracts on other DWSD projects** that they are currently performing. On those projects, Lakeshore has bid these same items significantly higher, **at \$3,201.00 on WS-725 and \$4,000.00 on the WS-749 project, further illustrating the apparent pricing imbalance in this bid.**

These pricing discrepancies raise concerns that the bid was structured based on the assumption that specific item quantities were overstated. While we also recognized potential quantity overstatements during our review, we did not unbalance our bid. In previous DWSD projects, our bids have been deemed non-responsive due to concerns over bid balancing, and we have respected and abided by that precedent.

We would also like to highlight that Article 18 of the bid documents states:

“ARTICLE 18—EVALUATION OF BIDS AND AWARD OF CONTRACT

18.01 Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner also reserves the right to waive all minor Bid informalities not involving price, time, or changes in the Work.

18.02 Owner will reject the Bid of any Bidder that Owner finds, after reasonable inquiry and evaluation, to not be responsible.”

Given the significant discrepancies outlined above, and consistent with Article 18.01, we respectfully request that BOWC consider whether the bid submitted by Lakeshore Global qualifies as unbalanced and apply the same evaluation criteria consistently to ensure fairness and transparency in the procurement process.

Additionally, we conducted a comparative quantity analysis, revising the estimated quantities for the significantly underbid items based on anticipated quantities derived from our experience on these water main projects. The results demonstrate that DWSD would pay **less under our bid** than under Lakeshore's if actual field conditions reflect these expectations. This further highlights the financial risk associated with the unbalanced unit pricing. We have included two separate anticipated as-built scenario analyses for your review. The first scenario is a conservative scenario, in which our bid would result in a lower overall contract cost for DWSD. The other scenario, in our opinion, is the more likely scenario, based on prior experience, and would result in even more significant savings to DWSD.

Please refer to the attached spreadsheet, specifically tabs 2 and 3, which highlight these scenarios.

This protest is filed in good faith and in accordance with the procedures outlined in Article 21-Bid Protest.

“ARTICLE 21—BID PROTEST

21.01 A Bidder who is not recommended for award of a contract after participating in the competitive solicitation process may protest the award of that contract by filing a written notice of protest with the Board of Water Commissioners (BOWC) within seven (7) days of the notice of award. The written notice shall reference the solicitation number and the basis for the protest.

21.02 The BOWC shall vote to either accept or reject the bid protest within fourteen (14) days of the date the protest was filed. If the BOWC accepts the bid protest, the DWSD Director shall act in accordance with the BOWC findings. If the BOWC rejects the bid protest, the DWSD Director shall notify the protestor of that decision and their opportunity to appeal to the Detroit City Council.

21.03 A Bidder may appeal a denial of their bid protest to the Detroit City Council. To be valid, the appeal must be filed with the Detroit City Clerk within seven (7) days of receipt of the denial of their bid protest. The Detroit City Council, acting through its Committee on Public Health and Safety, shall decide whether to accept or reject the appeal within ten (10) days of receipt of the appeal.”

We respectfully request that the Board of Water Commissioners evaluate the concerns presented herein when evaluating the award of this contract.

Sincerely,



Michael Scappaticci
President
Major Contracting Group
michael@majorcontracting.com
248-388-1168

