

## CARR | KENNEDY

EVAN L. DELGADO  
MICHAEL P. ASHBY  
RANDALL C. NELSON  
BENJAMIN L. KENNEDY  
BENJAMIN J. HELSTEN  
PATRICK M. HENSLEIGH  
BRADFORD A. MASTERS  
BLAKE M. WHITACRE

CARR, KENNEDY, PETERSON & FROST  
A LAW CORPORATION  
420 REDCLIFF DRIVE  
REDDING, CALIFORNIA 96002

TELEPHONE (530) 222-2100  
FAX (530) 222-0504  
www.ckpf.com

April 16, 2025

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LAURENCE J. KENNEDY, 1883-1975  
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### VIA HAND DELIVERY

City of Eureka  
Attn: Brittany Powell, Project Manager  
530 K Street  
Eureka, CA 95501

Re: Bid Protest by Wahlund Construction, Inc.  
Elk River Wastewater Treatment Plant Wet Weather Improvements Project  
Bid No. 2025-5

Dear Ms. Powell:

This office represents McCullough Construction, Inc. ("McCullough"), in response to the bid protest submitted by Wahlund Construction, Inc. ("Wahlund") concerning the Elk River Wastewater Treatment Plant Wet Weather Improvements Project, Bid No. 2025-5.

Wahlund's bid protest is centered on the assertion that McCullough's bid is non-responsive because its unit price for Bid Item 28 is erroneous, incomplete, or does not adequately address the scope of work and requirements set forth in the bid documents and Specification Section 31-23-20. Further, Wahlund asserts that McCullough is not a responsible bidder because it does not have the expertise to perform the Bid Item 28 work and has not identified a qualified subcontractor to perform that work. Wahlund is mistaken in all respects.

McCullough did not make an error on Bid Item 28. This work will be self-performed in its entirety, which is also why there is no subcontractor listed. All costs associated with this item of work are included in the bid. McCullough bid the work in accordance with the bid documents and has no intention of omitting anything required by the bid documents, Specification Section 31-23-20, or applicable California law. The bid is not unbalanced as none of the work associated with Bid Item 28 was included in any other line item. McCullough's bid was based on the quantity of Class B biosolids shown in the bid documents and not on any third-party estimate. McCullough has a complete understanding of the work involved in the Project, including everything in Bid Item 28, and intends to perform this work within the bid amount.

McCullough owns nearly 500 pieces of equipment, including nearly everything needed to perform this entire project. McCullough also fabricates specialty equipment when needed. On this project, McCullough intends to build one piece of specialty equipment in its shop using material on hand, therefore substantially reducing specialty equipment rental costs. McCullough is a local contracting firm. Its employees are also local, which means that there is no need to pay for housing, travel, per-diem, and other costs associated with non-local laborers used by an out-of-town contractor. Although McCullough views the means and methods it will implement to perform Bid Item 28 as confidential trade secrets that it would prefer not to include in this letter, it is prepared to meet with the City and explain in detail how this work will be performed in order to come within the unit price.

McCullough is well qualified and fully licensed to do this work. It has over 50 years of experience working on waste treatment, including the handling and transportation of waste. McCullough holds a California "A-general engineering" license, which is all that is needed to perform the work according to the bid documents. In addition, McCullough also holds a hazardous substance removal certification from the State of California, and is licensed to transport hazardous materials. Being fully licensed and certified, and with its own trucks and equipment and its own local employees able to fully perform this work, there is no need for McCullough to subcontract this scope of work.

In contrast, Wahlund and the third bidder both used the same subcontractor, Synagro, a specialty contractor based in Baltimore, Maryland. McCullough also received a subcontractor bid from Synagro, but determined that it was grossly overinflated to perform the work in Bid Item 28. It is unfortunate that Wahlund did not question the price provided by Synagro, but instead simply plugged it into their bids. Wahlund is now using the price from Synagro as a benchmark for what it believes Bid Item 28 should cost to perform when Synagro had every reason to overinflate this price on a project where it undoubtedly expected that it would be used as a subcontractor by all three bidders. Synagro has now weighed in on this bid protest to try and cast doubt on the accuracy of McCullough's bid. However, Synagro has every reason to want the City to reject McCullough's bid so that it can do this work at a price that appears to include much more profit and overhead than actual expense.

For the reasons set forth above, McCullough respectfully requests that the City deny the bid protest submitted by Wahlund.

Sincerely,



Randall C. Nelson

RCN:kjk

cc: McCullough Construction, Inc.  
Treven I. Tilbury ([ttilbury@rtwlawllp.com](mailto:ttilbury@rtwlawllp.com))