



State of California • Arnold Schwarzenegger, Governor
State and Consumer Services Agency

DEPARTMENT OF GENERAL SERVICES

Procurement Division

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March 30, 2010

Tony Matijevich, President
Creative Bus Sales
13501 Benson Avenue
Chino, CA 91710

Dear Mr. Matijevich:

Thank you for all the time and effort that your company has devoted to the Paratransit Bus project. Regrettably the State will not move forward in executing a Paratransit Bus statewide contract. This decision has not been easy or made without regard to its impact to all parties involved.

The basis for not pursuing the paratransit award lies with the principle of providing our suppliers with an open and level playing field. Although the procurement team worked diligently to develop a much improved solicitation document and conduct a multi-step procurement including conducting a bidders conference, releasing multiple question and answer sets, reviewing draft bid responses, holding confidential bidder discussions and submitting final bids, the State still received 'no bid' notices from multiple suppliers asserting that the specifications improved but remained closed to a single bidder.

In light of this and in accordance with Public Contract Code (PCC) and the State Contracting Manual (SCM) policy regarding non-participation due to concerns with the bid specifications (PCC 10318 and SCM 4.D2.4) PD is moving forward in rescinding the Notice of Intent to Award to Creative Bus Sales Inc.

Still, we believe that Creative Bus Sales, Inc. will have ample opportunity to earn the State's business because DGS is moving to establish a leveraged procurement agreement for paratransit buses through the CalAct contract in which your company participates. Once established, Caltrans will be able to conduct their paratransit bus purchases through this procurement vehicle. This action seems appropriate in light of the CalAct paratransit bus specifications being based upon the previous State paratransit bus contract that had been significantly modified to allow all suppliers to compete, and the fact that CalTrans has formally approved the CalAct cooperative bid process.

Should you have any questions or concerns, please feel free to contact me.

Jim Butler
Chief Procurement Officer
Procurement Division
Department of General Services

Cc: Jane Perez, Interim Division Chief, Division of Mass Transportation, CalTrans
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