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CITY COUNCIL 2026
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LAURA SNIDEMAN, CITY MANAGER

April 23, 2026

VIA U.S. MAIL AND EMAIL

Nicholas Corcoran
Chief Estimator, VSS International Inc.
3785 Channel Drive
West Sacramento, CA 95691
Nicholas.corcoran@slurry.com

**Re: Response to VSSI Bid Protest for the 2026 Street Surface Seal Project
Project Nos. ST2505; Bid No. 2708**

Dear Mr. Corcoran:

Thank you for your letter dated April 16, 2026. This letter is sent on behalf of the City of South San Francisco ("City") in response to your correspondence regarding a bid protest by VSS International Inc. ("VSSI") on the 2026 Street Surface Seal; Project No. ST2505; Bid No. 2708 ("Project"). In your letter, you contend that the lowest apparent bidder, Dryco Construction Inc. ("Dryco") submitted a non-responsive and defective bid because the bid signatory was not listed on the Company Profile and Information as a corporate officer and there is no demonstration that the signatory possessed the authority to bind the corporation.

We have carefully reviewed your bid protest and consulted with our City Attorney's office. Upon review, we have determined that the apparent low bidder's bid is responsive and hereby reject your bid protest.

The City's bid specifications does contain a Company Profile and Information form and requests a bidder, if it is a corporation, to list the signature of the officer(s) authorized to sign contracts on behalf of the corporation. In addition to filling out this form, Dryco's bid submittal provided an authorization letter from the corporation's Chief Executive Officer (CEO), Daren R. Young, authorizing its Slurry Seal Manager to execute, among other things, bid documents on Mr. Young's behalf. This authorization letter is dated January 1, 2026, prior to Dryco's bid submittal on April 13, 2026, and is included in the bid package originally submitted to the City. Although Dryco's Company Profile and Information form does not list a CEO position, this authorization letter serves the same effect as that form. It provides the City with notice that there is a CEO—which is, without question, a corporate officer position—and that the CEO has delegated signature authority to the bid signatory. Therefore, Dryco's bid was signed by an authorized corporate representative and is responsive in providing the required corporate officer information. The City has also confirmed via the Secretary of State's business and corporation registry that Mr. Young serves as Dryco's CEO based on the most recent corporate information form on file.



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Further, while we do not agree that there is a bid irregularity here, to the extent that it may exist, public entities have some discretion in interpreting and enforcing their bidding rules, including the right to waive inconsequential bid irregularities. Further, to the extent that a bid irregularity may exist, the City clearly has right in interpreting and enforcing its bidding rules and has the sole discretion to waive inconsequential bid irregularities.

In this instance, any purported bid irregularities would not affect the amount of the bid submitted by the lowest responsible bidder. The lowest bid was executed by a signatory explicitly authorized by the corporation chief executive officer pursuant to an authorization letter dated prior to the bid submittal and then submitted as a part of the bid. The bid package includes a bid bond executed by the bidder's surety. There is no retroactive amendment to the bid nor any effects on the amount of the bid. The court in *McM Construction, Inc. v. City and County of San Francisco* ("McM") (1998) 66 Cal.App.4th 359, 369 held that the rule of strict compliance with bidding requirements does not preclude a contracting entity from waiving inconsequential deviations, providing: "... [T]he deviation must be capable of facilitating corruption or extravagance, or likely to affect the amount of bids ..." *Id.* at 370. This affirms the court's analysis two years earlier in *Ghilotti Construction Co. v. City of Richmond* (1996), 45 Cal.App.4th 897, 209 (see also *Bay Cities Paving & Grading, Inc. v. San Leandro* (2014) 223 Cal.App.4th 118):

[I]t is further well established that a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted if the variance cannot have affected the amount of the bid or given a bidder an advantage or benefit not allowed other bidders or, in other words, if the variance is inconsequential.

Finally, staff has taken your bid and bid protest seriously. The City is committed to providing all bidders a fair opportunity to bid on and be awarded its numerous projects. It is in the City's best interest to have a robust bidding environment. To that end, staff has worked and continues to work diligently towards making sure all bids are handled consistently and fairly.

Please contact me if you have any questions.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read "Jeffrey Chou".

Jeffrey Chou, P.E.
Senior Civil Engineer
City Of South San Francisco

cc: Claire Lai, Assistant City Attorney