

Dear Mr. Carlin,

Although we're unsure of your intentions and do not know with whom you are working, we've been told by several people that you have filed law suits against school districts for their use of the Lease Leaseback delivery method. We vigorously applaud your efforts both as a concerned bidding contractor as well as California tax-paying citizens.

Thirty years ago we began competing on public school construction projects throughout the California and we built our family company's good reputation on building schools. We've never been in a law suit, never filed a stop notice, and we have always completed our work on time. We've always followed the rules, we pay our workers the prevailing wages required and when we hire subcontractors; we require them to do likewise. Our profit margins have always been commensurate with the construction bid market at the time of bid and like any experienced contractor, we've had some great jobs, some good jobs, and a couple losers. In all cases, we've been trying to pursue and live the American dream and make a fair and honest living for our family and the families of our employees. We enjoy public works for the simple reason that we always get paid and until recently, we have always been treated well.

Several years ago, we noticed a decline in the public school projects which we were allowed to competitively bid because of a new phenomenon called "Lease Leaseback". Even though we're a good contractor with an excellent reputation, we've not been asked to compete on these projects and when we offer to compete, we believe our bids are being shopped by the Lease Leaseback General Contractor who has his "pet" subs. The end result is that our school work has dried up. On a few of the lease leaseback projects where we have been successful (a total of 6) over the past 3 years, the General Contractor has forced us to give cash money or favors back to him under the table and we've even been asked to provide fake invoices to show that our company has been paid more than it really has. As a matter of conscience, we have now said "no" to these requests and as expected, we're no longer asked to "participate" on these lease leaseback contracts because I guess we're too honest.

We also know that in many instances on the projects which we have not been "invited" to bid, the lease leaseback general contractor has charged the school districts nearly double for the same work that we've had already bid to them. We're absolutely sure that our "successful" competitors are giving someone (District employees or the general contractor) kick-backs, but we can't prove it.

Mr. Carlin, we just want to compete on public schools again. Although some of our work has returned as the economy is improving, we want to build public schools. The back room politics and the corruption involved in building public schools never existed before, but now it is rampant. Unless you're a crook, you can't get work. Before lease leaseback, we were able to submit bids to the reputable general contractors and they would list us if we were their low bid. Now many of those general contractors are frustrated too because they're not being considered by the District's for their lease leaseback contracts. We especially liked multi-prime contracting because our bids were submitted directly to the district and they would open them publicly in front of us. We were always treated fair, both before and after the bid.

Because we still hold out hope that a competitive market may return in the construction of public schools, we're withholding our company's name. We do not want to invite further discrimination from those who are now in control of our company's destiny. Public projects must have open and transparent competition. Thank you. – *Anonymous*



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