

Why Is RMI Paying \$45,000+ Too Much For Rocks?

November 1, 2008 by Sonny Sonnenfeld

At the Sept 25, 2008 Board Meeting the SCA Directors approved RMI's recommendation to proceed to place an order to Valley Crest Landscaping Co. for rock replenishment in our common areas for **\$71,706**.

This was despite the fact that RMI had two lower bids from qualified suppliers. One from Cedco for **\$28,975** and one from High Desert for **\$24,050**. I have been questioning RMI on why it asked the Board to pay Valley Crest **2.5 times** more than the other two qualified companies? And, I am not receiving satisfactory answers.

RMI's Bruno Panek told SCA's Property & Grounds Committee he was sure the other two landscape companies did not go and inspect every area on the map provided to them. But, no evidence has been shown that anyone knew Cedco and High Desert did **not** inspect every area on the map provided to them. And, I doubt anyone has evidence of Valley Crest inspecting **all** of the areas for this contract.

Regardless, if Mr. Panek had conversations and provided information to one bidder about the bid criteria, he is required to be able to show that he provided the same information on a timely basis to the other bidders. Otherwise, it is an invalid competition and the bid prices are wrong.

Incidentally, there are only four SCA community areas involved, and it would have been easy to treat all bidders equally. By law and by contract, it is RMI's responsibility to ensure that all bidders have the same information on which to base their bids.

In addition, I was taught in business that when bids come in with great discrepancies, you call all the bidders, and find out why, and then you allow bidders to revise their bids based on common information. You do not award a contract to a bidder when you can see there is something wrong. RMI failed to take that step in this case.

During my investigation of this matter in recent weeks, I have asked RMI Community Association Manager Terry DaSilva and SCA Board President Roz Berman for copies of all information regarding this transaction. But, either the required documents do not exist, or they have failed to give me everything that is required for this case. Either way, not having, or denying to release such official contracting records is a clear violation of Nevada Statutes and SCA governing documents.

At this point, it appears that RMI is guilty of gross negligence and mis-management on this contract. And, I believe the SCA Directors have both violated their fiduciary responsibilities and failed to exercise good business judgment. If records to prove otherwise are not immediately produced, I will be forced to file a formal complaint with the Nevada Real Estate Division and request severe punishments of both the SCA Board Officers and the RMI Managers.

In the meantime, I am asking fellow SCA members to help me by looking into this situation yourself. Have I missed something? If so, what? If not, why should we tolerate such a flagrant waste of our valuable dues money? Should we not demand more professional conduct by both the Board and RMI?

Finally, why does the Board not cancel this seriously inflated contract immediately? Is there some kind of unknown "emergency" for these rocks? Do we not deserve to be provided compelling evidence to explain what appears to be a waste of over \$45,000! Please let me and/or the Board/RMI know what you think.

Sonny Sonnenfeld
Pinnacle Village
Sonnysonnenfeld1@aol.com