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WWW.GEORGEREED.COM

State Contractor's License No. 211337-A



March 24, 2015

California Department of Transportation  
Division of Engineering Services  
Office Engineer, MS-43  
1727 30<sup>th</sup> Street  
P.O. Box 168041  
Sacramento, CA 95816-8041  
Phone: (916) 227-6280  
Fax: (916) 227-6282

**Attention:** John McMillan, Deputy Division Chief

**RE:** Contract 10-1C9304  
Bid Opened March 12, 2015  
Bid Protest of Pave-Tech

Dear Mr. McMillan:

Please consider this letter to be a formal protest of the bid submitted by Pave-Tech Inc. (PT) on the above referenced project. Pave-Tech listed WEI Industries (WEI) on the Certified Small Business Listing for the Non-Small Business Preference in an attempt to meet the 25% participation in order to gain the 5% (up to \$50,000) bid comparison advantage. George Reed, Inc. (GRI) contends that WEI is an extra participant in this transaction and should be deemed as not performing a commercially useful function on this contract.

To allow PT to list WEI for Hot Mix Asphalt goes against Section 1896 of the California Code of Regulations which states that "Small business contractors and subcontractors shall perform commercially useful functions in each contract they are awarded by state agencies". The code further states that "A contractor or subcontractor will not be considered as performing a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to achieve the appearance of small business participation".

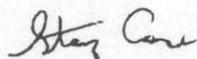
In this case WEI does not manufacture Hot Mix Asphalt, does not store Hot Mix Asphalt and does not list trucking in its classifications of work. WEI is merely an extra participant in this transaction. WEI's website states that they are a Power Technology company that specializes in Electrical High & Low Voltage distribution of materials and equipment, Green Energy Solar Products, and Pre-Fab Steel Buildings. Without a copy of the quote it is impossible to know exactly where the actual HMA is originating or exactly what scope of work is being performed.

A copy of the quote would likely show that the HMA is being bought through another regular manufacturer and supplier and not being produced by WEI themselves.

Because of these reasons GRI hereby requests that Pave-Tech Inc. be denied their request for Non-Small Business Preference and the project be awarded to George Reed, Inc. as the low responsive, responsible bidder.

Please call with any questions,

Respectfully,



Stacy Case  
Chief Estimator  
George Reed Inc.

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## FAX TRANSMITTAL

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**Date:** March 24, 2015

**To:** John McMillan, Deputy Chief  
**Company:** State of California, Department of Transportation  
**Phone:**  
**Fax:** 916-227-6282

**From:** Stacy Case  
**Company:** George Reed, Inc. – Modesto  
**Phone:** (209) 523-0734  
**Fax:** (209) 523-4927

**Pages Faxed:** 3

**Project Name:** 10-1C9304

**Comments:** Protest of Pave-Tech Inc.

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Thanks, Stacy Case