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## Protest Decision

**Matter of:** Quatro Composites LLC

**Case No.:** 2016-145

**Posting Date:** May 31, 2016

**Contracting Entity:** State Board for Technical & Comprehensive Education

**Solicitation No.:** 5400010860

**Description:** Carbon Fiber Plate

### DIGEST

Protest alleging that awarded vendor was not responsive is denied where solicitation did not require contractor be certified by Boeing to fabricate airframe components.

### AUTHORITY

The Chief Procurement Officer<sup>1</sup> conducted an administrative review pursuant to S.C. Code Ann. §11-35-4210(4). This decision is based on the evidence and applicable law and precedents.

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<sup>1</sup> The Interim Materials Management Officer delegated the administrative review of this protest to the Chief Procurement Officer for Information Technology.

## **DISCUSSION**

Quatro Composites LLC (QC), protests the award to Hulseberg Industries, Inc. (Hulseberg) for Carbon Fiber Plates for the State Board for Tech & Comprehensive Education alleging that the lowest priced bidder was not responsive. QC's letter of protest is included by reference.

[Attachment 1]

## **BACKGROUND**

Solicitation Issued	February 12, 2016
Amendment 1 Issued	February 22, 2016
Amendment 2 Issued	March 1, 2016
Amendment 3 Issued	March 7, 2016
Intent to Award Issued	April 20, 2016
Protest Received	April 26, 2016

## **ANALYSIS**

The State Fiscal Accountability Authority (SFAA) issued this Invitation For Bids on behalf of the State Board for Technical & Comprehensive Education (Board) to purchase Carbon Fiber Reinforced Plastic (CFRP) drilling and assembly coupons flat plate for the training of Boeing employees. QC protests that the apparent successful bidder, Hulseberg, lacks the qualifications to perform the contract as follows:

It is understood that the intent of the request for quote for Carbon Fiber Plate stock was for the procurement of plate stock fabricated using qualified Boeing material, BMS 8-276, the same as used in the production of Boeing aircraft specifically the Boeing 787 jet liner.

In order to properly process the materials required of the subject RFQ, fabricators must be qualified to Boeing's fabricator processing specification for this material, BAC5578, "Manufacture of Advanced Carbon Fiber Reinforced Advanced Composite Structure with Toughened Epoxy Systems, +350 F Cure"

Additionally, only qualified processors are allowed to procure this material from the Boeing designated source. Within the Boeing BAC5578 processing specification is a Qualified Producers List (QPL) which lists all the Boeing

qualified processors allowed to convert the specified raw material to Carbon Fiber Plate stock.

Holseberg *[sic]* Industries is not on the Boeing Qualified Producers list for process specification BAC5578. For this reason, Holseberg should not have been allowed to participate in this RFQ activity and their offer should be determined as “non-responsive” as Holseberg *[sic]* has not demonstrated through processor qualification that it is capable of processing the RFQ specified materials.

The solicitation specified Boeing certified material be used in fabricating the carbon plates as follows:

### **3. Materials:**

Description / Type Specification:

Material #1: Certified Carbon Fabric Prepreg, BMS 8-276 TY 40 Cl 2 or 2A Form 1 6K-70-PW.

Material #2: Certified Carbon Unitape Prepreg, BMS 8-276 TY 35 Cl 10 Gr 190 form 3.

In its response to the protest, Holseberg assures the State that it has access to the specified materials. (Attachment 2)

QC alleges that in order to process the material into the required plates the vendor must meet the Boeing certification for “Manufacture of Advanced Carbon Fiber Reinforced Advanced Composite Structure with Toughened Epoxy Systems, +350 F Cure.” However, the solicitation states that the heat cure is at the vendor’s discretion which would indicate that this Boeing certification is not required in this situation:

### **4. FABRICATION PROCESS:**

Heat cure process shall be at the discretion of the vendor while adhering to the Ply Stack Sequence below.

[Solicitation, Page 18]

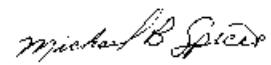
While the solicitation requires use of Boeing certified materials it does not require the carbon plates be manufactured by a Boeing qualified processor. In addition, Holseberg has satisfactorily manufactured these same carbon plates for the Board in the past. This issue of protest is denied.

Protest Decision, page 4  
Case No. 2016-145  
May 31, 2016

**DECISION**

For the reasons stated above, the protest is denied

For the Materials Management Office



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Michael B. Spicer  
Chief Procurement Officer

# Attachment 1



April 26, 2016

State of South Carolina  
SFAA, Div. of Procurement Services, ITMO  
Chief Procurement Officer  
Materials Management Office  
1201 Main Street, Suite 600  
Columbia, South Carolina 29201

Copy: Molly Hodo

Attention: Chief Procurement Officer

Subject: Protest of Contract Award; Contract Number 4400012943

Dear Madam or Sir:

This correspondence serves as Quatro Composites LLC's official protest of the subject contract to Holsberg Industries of Summerville, South Carolina.

It is understood that the intent of the request for quote for Carbon Fiber Plate stock was for the procurement of plate stock fabricated using qualified Boeing material, BMS 8-276, the same as used in the production of Boeing aircraft specifically the Boeing 787 jet liner.

In order to properly process the materials required of the subject RFQ, fabricators must be qualified to Boeing's fabricator processing specification for this material, BAC5578, "Manufacture of Advanced Carbon Fiber Reinforced Advanced Composite Structure with Toughened Epoxy Systems, +350 F Cure".

Additionally, only qualified processors are allowed to procure this material from the Boeing designated source. Within the Boeing BAC5578 processing specification is a Qualified Producers List (QPL) which lists all the Boeing qualified processors allowed to convert the specified raw material to Carbon Fiber Plate stock.

Holsberg Industries is not on the Boeing Qualified Producers list for process specification BAC5578. For this reason, Holsberg should not have been allowed to participate in this RFQ activity and their offer should be determined as "non-responsive" as Holsberg has not demonstrated through processor qualification that it is capable of processing the RFQ specified materials.

Should you have any questions regarding this protest, please contact the undersigned at 712-541-7960 or via email at [joe.decillis@quatrocomposites.com](mailto:joe.decillis@quatrocomposites.com).

Sincerely,

A handwritten signature in cursive script that reads "Joseph R. de Cillis".

Joseph R. de Cillis  
National Account Manager  
Quatro Composites LLC

## THE POWER OF POSSIBILITY

**CORPORATE OFFICES** / PO Box 136 - 403 14th St. SE / Orange City, IA 51041 / P 712.707.9200

**ENGINEERING OFFICES** / 13250 Gregg St. Suite A1 / Poway, CA 92064 / P 858.513.4300

[www.quatrocomposites.com](http://www.quatrocomposites.com)

## Attachment 2



April 28, 2016

State of South Carolina  
SFAA, Div. Of Procurement Services, ITMO  
Chief Procurement Officer  
Materials Management Office  
1201 Main Street, Suite 600  
Columbia, South Carolina 29201

Attention: Chief Procurement Officer

Subject: Response to Protest of Contract Award; Contract Number 4400012943

Dear Madam or Sir,

In response to the Protest of Contract Award, I would like to say that I have already previously supplied the ReadySC Program at Trident Technical College with one-thousand five-hundred (1500 qty) similar carbon fiber plates. These plates were needed as the then-current supplier, Quatro Composites, was unable to provide them in a timely manner. Our plates were supplied in a timely manner conforming to ReadySC's specifications. I believe this experience shows Holseberg Industries has the capability to perform and integrity and reliability to assure good faith performance. It also shows that Holseberg Industries meets the requirements set forth on page 22, Section V. QUALIFICATIONS, "Qualifications of Offeror (MAR 2015)". As mentioned in my original bid, I personally have years of experience working with epoxy pre-preg high modulus carbon fiber (like the materials used in this solicitation) and other advanced composites.

In Solicitation 5400010860, Page 19, Section 4. "FARBICATION PROCESS", it specifically states "Heat cure process shall be at the discretion of the vendor", which shows that no fabrication or processing specifications were required in this solicitation. This solicitation does not require, nor does it mention BAC5578. That particular processing specification is required only for Primary Flight Structures supplied directly to Boeing. This solicitation is for disposable drill test coupons (carbon fiber plates) supplied to the State of South Carolina. These carbon fiber plates will never be put on an airplane and are only meant to be used by students to practice drilling before being thrown away. These carbon fiber plates are not being supplied directly to Boeing. They are also not Primary Flight Structures. Therefore BAC5578 does not apply to this contract.

I have already spoken with the material suppliers and given them the paperwork they asked for to purchase the materials. On a recent phone call, they said we should have no problems procuring this material when we are ready to place an order.

Again, my company does meet the requirements specified in the solicitation, we will be able to procure the materials, and I have already shown the ability to complete hundreds of these parts for the ReadySC training program in a satisfactory and timely manner.

If you have any questions, please call me directly at 843-345-9784 or email [Mholseberg@gmail.com](mailto:Mholseberg@gmail.com).

Sincerely,  
Matthew R. Holseberg  
Holseberg Industries

## STATEMENT OF RIGHT TO FURTHER ADMINISTRATIVE REVIEW

*Protest Appeal Notice (Revised September 2015)*

The South Carolina Procurement Code, in Section 11-35-4210, subsection 6, states:

(6) Finality of Decision. A decision pursuant to subsection (4) is final and conclusive, unless fraudulent or unless a person adversely affected by the decision requests a further administrative review by the Procurement Review Panel pursuant to Section 11-35-4410(1) within ten days of posting of the decision in accordance with subsection (5). The request for review must be directed to the appropriate chief procurement officer, who shall forward the request to the panel or to the Procurement Review Panel, and must be in writing, setting forth the reasons for disagreement with the decision of the appropriate chief procurement officer. The person also may request a hearing before the Procurement Review Panel. The appropriate chief procurement officer and an affected governmental body shall have the opportunity to participate fully in a later review or appeal, administrative or judicial.

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Copies of the Panel's decisions and other additional information regarding the protest process is available on the internet at the following web site: <http://procurement.sc.gov>

**FILE BY CLOSE OF BUSINESS:** Appeals must be filed by 5:00 PM, the close of business. *Protest of Palmetto Unilect, LLC*, Case No. 2004-6 (dismissing as untimely an appeal emailed prior to 5:00 PM but not received until after 5:00 PM); *Appeal of Pee Dee Regional Transportation Services, et al.*, Case No. 2007-1 (dismissing as untimely an appeal faxed to the CPO at 6:59 PM).

**FILING FEE:** Pursuant to Proviso 111.1 of the 2015 General Appropriations Act, “[r]equests for administrative review before the South Carolina Procurement Review Panel shall be accompanied by a filing fee of two hundred and fifty dollars (\$250.00), payable to the SC Procurement Review Panel. The panel is authorized to charge the party requesting an administrative review under the South Carolina Code Sections 11-35-4210(6), 11-35-4220(5), 11-35-4230(6) and/or 11-35-4410...Withdrawal of an appeal will result in the filing fee being forfeited to the panel. If a party desiring to file an appeal is unable to pay the filing fee because of financial hardship, the party shall submit a completed Request for Filing Fee Waiver form at the same time the request for review is filed. The Request for Filing Fee Waiver form is attached to this Decision. If the filing fee is not waived, the party must pay the filing fee within fifteen days of the date of receipt of the order denying waiver of the filing fee. Requests for administrative review will not be accepted unless accompanied by the filing fee or a completed Request for Filing Fee Waiver form at the time of filing.” PLEASE MAKE YOUR CHECK PAYABLE TO THE “SC PROCUREMENT REVIEW PANEL.”

**LEGAL REPRESENTATION:** In order to prosecute an appeal before the Panel, business entities organized and registered as corporations, limited liability companies, and limited partnerships must be represented by a lawyer. Failure to obtain counsel will result in dismissal of your appeal. *Protest of Lighting Services*, Case No. 2002-10 (Proc. Rev. Panel Nov. 6, 2002) and *Protest of The Kardon Corporation*, Case No. 2002-13 (Proc. Rev. Panel Jan. 31, 2003); and *Protest of PC&C Enterprises, LLC*, Case No. 2012-1 (Proc. Rev. Panel April 2, 2012). However, individuals and those operating as an individual doing business under a trade name may proceed without counsel, if desired.

**South Carolina Procurement Review Panel  
Request for Filing Fee Waiver  
1105 Pendleton Street, Suite 209, Columbia, SC 29201**

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\_\_\_\_\_  
Name of Requestor

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Business Phone

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1. What is your/your company's monthly income? \_\_\_\_\_

2. What are your/your company's monthly expenses? \_\_\_\_\_

3. List any other circumstances which you think affect your/your company's ability to pay the filing fee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To the best of my knowledge, the information above is true and accurate. I have made no attempt to misrepresent my/my company's financial condition. I hereby request that the filing fee for requesting administrative review be waived.

Sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Notary Public of South Carolina

\_\_\_\_\_  
Requestor/Appellant

My Commission expires: \_\_\_\_\_

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For official use only: \_\_\_\_\_ Fee Waived      \_\_\_\_\_ Waiver Denied

\_\_\_\_\_  
Chairman or Vice Chairman, SC Procurement Review Panel

This \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
Columbia, South Carolina

**NOTE: If your filing fee request is denied, you will be expected to pay the filing fee within fifteen (15) days of the date of receipt of the order denying the waiver.**