

**STATE OF SOUTH CAROLINA
COUNTY OF RICHLAND**

BEFORE THE CHIEF PROCUREMENT OFFICER

DECISION

In Re: Rule to Show Cause

CASE NO. 2015-010

Consensus Construction & Consulting, Inc.;
Mr. John O'Brien, President; Ms. Kristina
Zushma; and Mr. Chais Sanders,

POSTING DATE: November 20, 2015

MAILING DATE: November 20, 2015

Respondents.

The South Carolina Consolidated Procurement Code (the "Code") authorizes the Chief Procurement Officer to debar or suspend persons from contracting with the State:

After reasonable notice to the person or firm involved, and a reasonable opportunity for that person or firm to be heard, the appropriate chief procurement officer has the authority to debar a person for cause from consideration for award of contracts or subcontracts if doing so is in the best interest of the State and there is probable cause for debarment. The appropriate chief procurement officer also may suspend a person or firm from consideration for award of contracts or subcontracts during an investigation where there is probable cause for debarment. The period of debarment or suspension is as prescribed by the appropriate chief procurement officer.

S.C. Code Ann. § 11-35-4220(1). Consensus Construction & Consulting, Inc., is general contractor for Horry Georgetown Technical College's Infrastructure Improvements Phase 2 project, State Project Number H59-6008-CA-C. On May 22, 2015, legal counsel for the College wrote to the Chief Procurement Officer for Construction with information and documents indicating that Consensus altered subcontractor quotes and submitted the altered documents to support its claim for extra work in four separate change order requests. [Attachment 1] The College approved the requests based on the subcontractor pricing in the altered quotes and made payment to Consensus. The information also suggested that Mr. John O'Brien, President of Consensus; Mr. Chais Sanders, its project manager; and Ms. Kristina Zushma, at the time, a clerk/receptionist; were directly involved in submitting the altered invoices.

The CPO¹ provided Ms. Zushma and Messrs. O'Brien and Sanders, via certified mail, copies of the letter and attached documentation. The letter advised respondents that they must show cause why they should

¹ The Interim Materials Management Officer / State Engineer delegated the administrative review of this matter to the Chief Procurement Officer for Information Technology.

not be debarred from doing business with the State. It specifically referred to Section 11-35-4220, and set a hearing date for June 30, 2015. Mr. James Lynn Werner, on behalf of Consensus, Mr. O'Brien, and Ms. Zushma, requested the hearing be continued. Mr. Sanders did not respond to the CPO's letter.

The CPO convened a hearing on September 24, 2015. Present were Respondents Consensus, O'Brien, and Zushma, represented by Mr. Werner; Horry Georgetown Technical College, represented by Mr. Henry P. Wall; Wade Lott, Inc., represented by Ms. Kathryn H. Sligh; and James Rice of SGA Architecture, the project architect. Mr. Sanders did not appear at the hearing.²

Background

Horry Georgetown Technical College awarded contract H59-6008-CA-C to Consensus for Infrastructure Improvements. Consensus subcontracted with Wade Lott, Inc. to perform certain portions of the work.³ During the course of the contract, Consensus and HGTC agreed to a number of change orders. Four of the change orders involved work to be performed, in part, by Wade Lott. Wade Lott attached its quotes for these change orders to email messages to Consensus. The quotes were on Wade Lott company letterhead, in Microsoft Word format. Through the Freedom of Information Act,⁴ Wade Lott obtained copies of the Wade Lott quotes Consensus provided to HGTC and discovered that the prices on those quotes had been changed and that Consensus had attached the altered documents to the change requests submitted to the owner. On April 30, 2015, Wade Lott notified the project architect, Mr. James Rice of SGA Architecture. On May 8, 2015, Rice in turn notified HGTC about the altered documents. According to his letter, the College, based on the altered pricing, overpaid Consensus on change order #1 by \$1,169.80; change order #2 by \$702.00; change order #3 by \$1,040.00; and change order #4 by \$214.00.⁵ Counsel for HGTC

² The CPO has learned that Mr. Sanders left Consensus Construction and moved to Pennsylvania. Efforts to contact him at his last known address in that state were unsuccessful.

³ The relationship between Wade Lott and Consensus was strained at the outset of the project by a dispute over the initial pricing of a portion of Wade Lott's work. Wade Lott subsequently made claim against Consensus' payment bond.

⁴ Wade Lott was seeking the information in connection with its payment bond claim.

⁵ Although Rice's letter raised a potential for additional overpayments, no evidence of other alterations has been presented to the CPO.

included this correspondence, and copies of the original and altered Wade Lott quotes, in his letter to the Chief Procurement Officer.⁶

⁶ Counsel's letter also advised the CPO "that the College, due to other difficulties with Consensus in a different project, previously negotiated an agreement with Consensus whereby Consensus agreed to voluntarily suspend their involvement in the College's future work for a period of three years." The agreement was included as an exhibit to a change order to the contract. The exhibit was titled "Settlement Agreement" and included a number of terms directly relating to contract performance, such as credits for deleted work and an extension of the date of substantial completion. The paragraph numbered three, however, reads as follows:

Contractor agrees, as a condition of this settlement, not to bid any work for HGTC as a general contractor for a period of three years from the release date.

This language is unenforceable for a number of reasons.

First, it creates a *de facto* debarment for Consensus. The Code grants authority to suspend or debar a contractor exclusively to the appropriate chief procurement officer, §11-35-4220(1). In this respect South Carolina modified the language of the Model Procurement Code, which allows either the CPO or the head of a purchasing agency to debar. ABA Model Procurement Code, §9-102(1) (2000 ed.). Our Code simply does not permit an agency to exact an agreement not to bid from a contractor it deems unfit, without the involvement of the CPO.

An important policy behind this centralization of authority is that debarment protects the government against contracting with non-responsible persons. Addressing debarments in the federal arena, the Circuit Court of Appeals for the District of Columbia said:

The Federal acquisition regulations system operates on the assumption that all individuals with whom the government does business are persons of integrity who abide by the terms of their government contracts. The security of the United States, and thus the general public, depends upon the quality and reliability of the items supplied by these contractors....Debarment reduces the risk of harm to the system by eliminating the source of the risk, that is, the unethical or incompetent contractor.

Caiola v. Carroll, 851 F.2d 395, 398-99 (D.C. Cir. 1998). Debarment is a determination that the person is presently not responsible. Stated differently, the risk to the State of contracting with the debarred person is unacceptable. If a contractor is unfit to contract with the College, that fact should be made public so that other governmental bodies are aware of the risk.

Second, this agreement was memorialized in a change order. "Change order" is defined in §11-35-310(4) to mean "any written alteration in *specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract* accomplished by mutual agreement of the parties to the contract." (emphasis added) The ability of the State and its contractors to alter the terms of their agreements is limited by the material amendments doctrine. That rule prohibits material changes to contracts let under a competitive bidding statute. Section 11-35-3070 codifies the rule for construction contracts, by restricting changes to those "which do not alter the original scope or intent of the project...." Even absent this statute, a change order which exceeds the scope of the original contract is void. *S.C. Patients' Compensation Fund v. Modus21, LLC*, Panel Case No. 2013-5 (citing *Kenai Lumber Company, Inc. v. LeResche*, 646 P.2d 215 (Ak. 1982); *Matter of LDDS WorldCom*, B-266257 (Comp. Gen.), 96-1 CPD P 50, 1996 WL 51207, and Section 11-35-3070). An agreement not to bid on State contracts for a period of years is not within the original scope or intent of a contract for construction.

Discussion

Under Section 11-35-4220, a person or firm may be debarred from consideration for solicitation or award of contracts if the appropriate chief procurement officer determines that the actions of the contractor are so serious and compelling as to affect responsibility as a state contractor or subcontractor. The State Standards of Responsibility as defined in Regulation 19-445.2125 require a state contractor or subcontractor have a satisfactory record of integrity.

Wade Lott provided quotes to Consensus on its letterhead, with signatures, in Microsoft Word format. This is a bad business practice and made alteration of its quotes a simple process. Consensus and its president, Mr. John O'Brien, acknowledged that Consensus project manager, Mr. Chais Sanders,

Third, the College here styled its change order attachment as a "Settlement Agreement." As suggested above, the issues typically resolved by most change orders are those regarding contract performance. The Code provides the exclusive means to resolve contract controversies in §11-35-4230, which expressly grants the CPO "authority to approve any settlement reached by mutual agreement." Even assuming (without deciding) that such settlements can include an agreement not to bid, the CPO's approval was neither requested nor granted with regard to the referenced Settlement Agreement.

Finally, allowing an agency to threaten suspension or debarment, absent the safeguards in §11-35-4220 and the oversight of the Chief Procurement Officer, affords the agency an unfair advantage in a contract dispute. Particularly for a contractor whose livelihood depends on public contracts, suspension or debarment can be a "corporate death sentence" (Michael Lockman, *In Defense of A Strict Pleading Standard for False Claims Act Whistleblowers*, 82 U. Chi. L. Rev. 1559, 1571 (2015)), and has been referred to by pundits as the government's "nuclear option" (Rena Steinzor, Anne Havemann, *Too Big to Obey: Why BP Should Be Debarred*, 36 Wm. & Mary Envtl. L. & Pol'y Rev. 81, 83 (2011)). The American Bar Association's Section of Public Contract Law has weighed in, writing (without citation):

It is improper for a government attorney to threaten suspension or debarment to gain advantage in a criminal or civil prosecution. Showing such impropriety could support a claim to set aside the suspension or debarment.

The Practitioner's Guide to Suspension and Debarment 197 (American Bar Association Section of Public Contract Law, 3d ed. 2002). This concern is particularly acute when the purported "voluntary" debarment occurs on a project where there was no evidence of improper conduct by the vendor.

The information HGTC provided that resulted in this rule to show cause, hearing, and decision, documents a serious matter affecting the present responsibility of the contractor, one which deserves the CPO's attention under §11-35-4220. To be clear, there is no suggestion that these allegations were made for any improper purpose. Whenever an agency learns of facts amounting to fraud, or otherwise so negatively affect a contractor's integrity or competence to call his responsibility into question, it should act exactly as HGTC did here. Where those facts do not exist, though, no agency should be able to create a *de facto* debarment—regardless of the contractor's consent—without scrutiny by the CPO exercising his authority under the Code.

The validity of the above-referenced Settlement Agreement is not actually pending before the CPO; nevertheless, having been presented with this information, the CPO finds it necessary to inform all agencies that, as a general rule, agreements not to bid work will not be enforced by a CPO unless approved in advance by a CPO.

instructed Ms. Kristina Zushma to modify the Wade Lott quotes. Consensus contends that these modifications were to correct errors or omissions made by Wade Lott or were made to reflect changes agreed to by Wade Lott. Wade Lott testified that it was unaware of the changes to its quotes, did not agree to any of these changes, and never received the benefit of the additional monies Consensus received as a result of these changes. Consensus admitted that it did not share the benefit of these changes to Wade Lott's quotes with Wade Lott.

Consensus argued at the hearing that, since the College agreed to a lump sum adjustment for each requested change order, neither it nor the architect relied on the submitted price information. This position is contrary to standard practices in the construction industry and to the express terms of Consensus' contract.

This contract was awarded by competitive sealed bids. Sealed bidding helps assure that the contract price is most advantageous to the State. *See* § 11-35-20(a). It also fosters effective, broad-based competition. *See* § 11-35-20(b). After award, though, pricing for changes to the work are not competed. Without competition to control change order pricing it is critical that the State receive accurate cost information regarding any proposed change. For most contracts, including this one, that information comes from the contractor in the form of a change order request.

This contract is based on AIA Document A101 (2007 edition). It includes the general conditions contained in AIA Document A201, as modified by the State Engineer in OSE Form 00811, Standard Supplementary Conditions. Among other things, these documents provide for changes in the contract price on account of items added to or deducted from the scope of work. Form 00811 requires detailed information from the contractor regarding costs:

7.2.2 If a Change Order provides for an adjustment to the Contract Sum, the adjustment must be calculated in accordance with Section 7.3.3.

7.2.3 At the Owner's request, the Contractor shall prepare a proposal to perform the work of a proposed Change Order setting forth the amount of the proposed adjustment, if any, in the Contract Sum; and the extent of the proposed adjustment, if any, in the Contract Time....

7.2.4 If the Contractor requests a Change Order, the request shall set forth the proposed change in the Work and shall be prepared in accordance with Section 7.2.3....

OSE Form 00811, ¶3.50, 2015 Edition.

Subparagraph 7.3.3 is titled "Price Adjustments." It provides:

7.3.3.1 If any Modification, including a Construction Change Directive, provides for an adjustment to the Contract Sum, the adjustment shall be based on whichever of the following methods is the most valid approximation of the actual cost to the contractor, with overhead and profit as allowed by Section 7.5:

- .1 Mutual acceptance of a lump sum;
- .2 Unit prices stated in the Contract Documents, except as provided in Section 7.3.4, or subsequently agreed upon;
- .3 Cost attributable to the events or situations under applicable clauses with adjustment of profits or fee, all as specified in the contract, or subsequently agreed upon by the parties, or by some other method as the parties may agree; or
- .4 As provided in Section 7.3.7.

7.3.3.2 Consistent with Section 7.6, costs must be properly itemized and supported by substantiating data sufficient to permit evaluation before commencement of the pertinent performance or as soon after that as practicable. All costs incurred by the Contractor must be justifiably compared with prevailing industry standards. Except as provided in Section 7.5, all adjustments to the Contract Price shall be limited to job specific costs and shall not include indirect costs, overhead, home office overhead, or profit.

Id., ¶3.51. The contract also prescribes the amount of markup a contractor may add to its costs, depending on who performs the work.

7.5 AGREED OVERHEAD AND PROFIT RATES

7.5.1 For any adjustment to the Contract Sum for which overhead and profit may be recovered, other than those made pursuant to Unit Prices stated in the Contract Documents, the Contractor agrees to charge and accept, as full payment for overhead and profit, the following percentages of costs attributable to the change in the Work. The percentages cited below shall be considered to include all indirect costs including, but not limited to: field and office managers, supervisors and assistants, incidental job burdens, small tools, and general overhead allocations. The allowable percentages for overhead and profit are as follows:

- .1 To the Contractor for work performed by the Contractor's own forces, 17% of the Contractor's actual costs.
- .2 To each Subcontractor for work performed by the Subcontractor's own forces, 17% of the subcontractor's actual costs.
- .3 To the Contractor for work performed by a subcontractor, 10% of the subcontractor's actual costs (not including the subcontractor's overhead and profit).

Id., ¶3.54 (emphasis added).

By manipulating its underlying subcontractor cost information, Consensus obtained two unauthorized bonuses. First, Consensus simply made upward revisions to Wade Lott's pricing, which it retained for its own benefit. Second, Wade Lott's price to Consensus necessarily included the subcontractor's overhead and profit. Consensus took its 10% general contractor markup against this amount, although ¶7.5.1.3 explicitly prohibited "markup on markup."

A review of Change Order #1 is particularly informative. Wade Lott submitted a quote of \$6,881.19 to Consensus for Change Order #1. Consensus contends that the contract allows Wade Lott to add 17% (\$1,169.80) for Overhead & Profit and it simply “corrected” Wade Lott’s quote to include the additional charge. Consensus did not pass the OH&P allocation through to Wade Lott. Additionally, Consensus applied its markup to Wade Lott’s total quoted price—a price that already included the subcontractor’s overhead and profit. In the first instance the owner paid Consensus nearly \$1200 more than the cost of the work. It is difficult to determine how much Consensus gained with its markup calculation. If Wade Lott included 17% for OH&P in its pricing to Consensus, Consensus realized nearly \$100 in undeserved overhead and profit:

Wade Lott Cost	\$5881.36
Subcontractor OH&P (17%)	999.83
Total Subcontract Price	<u>\$6881.19</u>
Excess GC Markup (10% of sub OH&P)	\$99.98

On the other change order requests, Consensus changed Wade Lott’s unit pricing by arbitrary amounts. For example, Change Request #5, Wade Lott proposed \$10.50 per linear foot to remove and dispose of existing storm drain. Consensus altered that quote to make the price \$14.50 per linear foot. As in Change Order #1, Consensus kept the additional \$4.00 per foot, and again applied its markup against the inflated figure.

In his letter to HGTC, Project architect James Rice identified the following alterations by Consensus to Wade Lott quotes and the consequences to HGTC:

Change Order #1 - It appears that Consensus added 17% to Wade Lott's numbers which resulted in an overcharge of \$1, 169.80 to the College.

Change Order #2 - Based on the attachments I reviewed, I cannot exactly point to which specific numbers were adjusted, but it appears as though Consensus showed direct subcontractor costs of \$7,454.00 while it only paid the subcontractor \$6,752.00. This resulted in an overcharge to the College of \$702.00.

Change Order #3 -It appears that Consensus added \$4/LF to Wade Lott’s price of \$10.50/LF for trenching and filling. This resulted in an overcharge to the College of \$1,040.00.

Change Order #4 - It appears that Consensus added \$2/stripe to Wade Lott’s price of \$6/stripe. This resulted in an overcharge to the College of \$214.00. It appears that again Consensus added \$4/LF to Wade Lott’s price of \$10.50/LF for trenching and filling. This resulted in an overcharge to the College of \$360.00.

Mr. Rice’s calculations do not account for the increased markup Consensus charged.

Mr. O'Brien admitted that Consensus altered quotes from Wade Lott and submitted the altered documents to HGTC in support of its requests for changes to the contract. He also acknowledged that Consensus did not pass through the additional monies to Wade Lott. Mr. O'Brien contended that the quote from Wade Lott was a lump sum quote and that Wade Lott had no anticipation of receiving the OH&P monies. However, if Consensus actually intended to recover OH&P for the work Wade Lott was to perform, it was only entitled to 10% under paragraph 7.5.1.3 of the contract—not the 17% allocated to the subcontractor under paragraph 7.5.1.2. He testified that, at the time all this took place, Ms. Zushma was a new hire and worked under the direct supervision of Mr. Sanders. He never denied knowledge of the alterations, commenting that "Money makes you do strange things." Mr. O'Brien said that he now realizes this practice is wrong, and testified he has taken steps to make sure it no longer happens. Now he personally reviews all change order requests prior to submittal to the owner or architect.

Determination

Section 11-35-4220(2) sets out the causes for which a person or firm may be debarred:

The causes for debarment or suspension shall include, but not be limited to:

- (f) any other cause the appropriate chief procurement officer determines to be so serious and compelling as to affect responsibility as a state contractor or subcontractor, including debarment by another governmental entity for any cause listed in this subsection.

S.C. Code Ann. Regulation 19-445.2125 set forth the State's Standards of Responsibility. Among other things, the regulation requires that a contractor have a satisfactory record of integrity. Integrity is the quality of being honest and fair. The intentional alteration of a subcontractor's quote to realize additional unwarranted profits is dishonest and fraudulent. The CPO finds that probable cause exists for debarment or suspension.

Section 11-35-4220(1) also requires the CPO find the best interest of the State will be served by suspension or debarment. Because of the serious nature of debarment and suspension, these sanctions should be imposed for the State's protection, and not for purposes of punishment.

The Federal Acquisition Regulations are not binding in any way on the CPO, nor applicable to proceedings under the Code. They may, however, provide some guidance, particularly in areas where the

CPO and the Procurement Review Panel have published little in the way of decisional authority.⁷ FAR §9.406-1(a) provides in part:

It is the debarring official's responsibility to determine whether debarment is in the Government's interest....The existence of a cause for debarment, however, does not necessarily require that the contractor be debarred; the seriousness of the contractor's acts or omissions and any remedial measures or mitigating factors should be considered in making any debarment decision. Before arriving at any debarment decision, the debarring official should consider factors such as the following:

(4) Whether the contractor cooperated fully with Government agencies during the investigation and any court or administrative action.

(5) Whether the contractor has paid or has agreed to pay all criminal, civil, and administrative liability for the improper activity, including any investigative or administrative costs incurred by the Government, and has made or agreed to make full restitution.

(6) Whether the contractor has taken appropriate disciplinary action against the individuals responsible for the activity which constitutes cause for debarment.

(8) Whether the contractor has instituted or agreed to institute new or revised review and control procedures....

(10) Whether the contractor's management recognizes and understands the seriousness of the misconduct giving rise to the cause for debarment and has implemented programs to prevent recurrence.

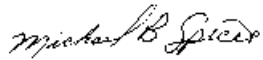
Mr. O'Brien, Ms. Zushma, and Consensus have cooperated with the State insofar as they have not contested the allegations of misconduct. Both Mr. O'Brien and Ms. Zushma acknowledged at the hearing that this misconduct cannot be countenanced. Mr. Sanders, the individual initially responsible for the activity, is gone. His departure was voluntary, and Mr. O'Brien denied that any disciplinary action against him would be appropriate. When the CPO asked Mr. O'Brien whether any agreement had been made for restitution, his reply was, "Consensus vehemently disputes any allegation or conclusion that Harry-Georgetown Technical College (HGTC) overpaid Consensus, by any amount, for Change Order work."

⁷ The panel has published two substantive debarment decisions since its establishment in 1981: *Appeal by Megg Corp. of Greenville*, Panel Case No. 1994-7; and *Appeal by TAC 10, Inc.*, Panel Case No. 2012-2.

The Chief Procurement Officer finds as follows:

1. It is in the best interest of the State that Consensus Construction & Consulting, Inc., John O'Brien, its president, and Chais Sanders, be DEBARRED for a period of ninety days, beginning the date this decision is posted;
2. It is in the best interest of the State that no action be taken against Kristina Zushma.

For the Office of the State Engineer

A handwritten signature in cursive script that reads "Michael B. Spicer".

Michael B. Spicer
Chief Procurement Officer

STATEMENT OF RIGHT TO FURTHER ADMINISTRATIVE REVIEW

Suspension and Debarment Appeal Notice (Revised November 2015)

The South Carolina Procurement Code, in Section 11-35-4220, subsection 5, states:

(5) Finality of Decision. A decision pursuant to subsection (3) is final and conclusive, unless fraudulent or unless the debarred or suspended person requests further administrative review by the Procurement Review Panel pursuant to Section 11-35-4410(1), within ten days of the posting of the decision in accordance with Section 11-35-4220(4). 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 why the person disagrees 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 any affected governmental body must have the opportunity to participate fully in any review or appeal, administrative or legal.

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**

Name of Requestor

Address

City

State

Zip

Business Phone

-
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: _____

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.

BRUNER, POWELL, WALL & MULLINS, LLC

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May 22, 2015

CONFIDENTIAL- ATTORNEY WORK PRODUCT

Via Electronic Mail and Regular Mail

John St. Clair White, P.E.

S.C. State Engineer and Chief Procurement Officer for
Construction Office of Materials Management

1201 Main Street, Suite 600

Columbia, SC 29201

RECEIVED

MAY 22 2015

OFFICE OF STATE ENGINEER

**Re: Horry Georgetown Technical College (H59-6008-CA-C)
Our File No.: 9-2619.100**

Dear Mr. White:

I have been assisting Horry Georgetown Technical College ("The College") in connection with various construction contract matters, including the closeout of various projects and the resolution of various claims involving Consensus Construction and Consulting, Inc. ("Consensus"). During the course of my involvement, The College has received credible information that potentially fraudulent and/or illegal activity in connection with certain change orders arising from the above-captioned project may have occurred. Accordingly, pursuant to and in accordance with State Regulation 19-445.2000(D), the College is making this disclosure to you in your capacity as Chief Procurement Officer.

Enclosed you will find correspondence from The College's project architect, SGA Architecture, dated May 8, 2015, with numerous attachments and supporting documents. The details to support these concerns came largely from a subcontractor, Wade Lott, Inc. ("Wade Lott"). It appears that during the course of the project, Wade Lott submitted change order proposals to Consensus for legitimate changes on at least four occasions. It appears Consensus altered the Wade Lott pricing proposals by increasing the amount of the price and thereafter submitted the fabricated or altered pricing proposals to the Owner to justify various change orders in the increased amounts. It appears Consensus issued actual changes to Wade Lott and paid Wade Lott the original, lesser amounts, thereby receiving an inflated and unjust amount from the Owner. It appears that Consensus enriched itself, to the detriment of The College, by at least a few thousand dollars during the course of the contract. We are grateful to Wade Lott for their integrity in bringing this matter to the attention of the architect, and we consider any fraud on the public fisc, no matter how slight, to be a matter of significant gravity. We are therefore

John St. Clair White, P.E.

May 22, 2015

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their integrity in bringing this matter to the attention of the architect, and we consider any fraud on the public fisc, no matter how slight, to be a matter of significant gravity. We are therefore reporting this matter to you, and we understand that you have a duty to report these concerns to appropriate law enforcement officials, including the Office of the Attorney General.

Please note that the College, due to other difficulties with Consensus in a different project, previously negotiated an agreement with Consensus whereby Consensus agreed to voluntarily suspend their involvement in the College's future work for a period of three years. We understand that your concerns, may extend to all of state procurement and for that reason, you may deem it advisable to pursue further relief. If so, we can assure you of The College's full cooperation. Please also note that this Project is nearing final completion and the final invoice may be submitted in the very near future. The College does believe that it would be appropriate to raise the recoupment issue or set-off the amount of the apparently fraudulent overpayments, but out of deference to you and law enforcement authorities, I have advised The College to keep this matter confidential until we have permission to raise the recoupment issue with Consensus. Therefore, we have not yet notified Consensus of these allegations or the amounts in question so as to avoid any interference with any potential investigation, though time is certainly of the essence.

The College remains committed to reporting and preventing procurement fraud and protecting the integrity of public procurement process. The College further understands that there may be reasonable explanations for the matters in question and that Consensus has not been proven guilty. Our leadership is aware of these matters and has briefed The College's Board; however, the matter remains confidential. I have advised The College that this disclosure meets the requirements of South Carolina law for reporting this suspicion of potential fraud and waste, but if any other disclosures may be required, please let me know. Please be assured of The College's full and continuing cooperation, and keep us advised of your intentions.

With best wishes,

Very truly yours,

Henry P. Wall

HPW/bs

Enclosures

Cc: Mr. Harold Hawley
Mr. Neil McCoy

RECEIVED

MAY 26 2015

OFFICE OF STATE ENGINEER



May 8, 2015

Neil McCoy
Executive Director of Capital Improvements
Horry Georgetown Technical College
2050 Highway 501 East
Conway, SC 29526

Reference: HGTC Infrastructure Improvements Phase 2
State Project Number: H59-6008-CA-C
Consensus Construction and Consulting, Inc.

Dear Neil:

I recently received a letter (with attachments) from Charles Wade of Wade Lott, Inc. in regards to the HGTC Phase 2 Infrastructure Project. As you are aware, Wade Lott served as a subcontractor for Consensus on the project.

With his letter and attachments, Charles provides credible evidence that the College was overcharged on several Change Orders & Change Order Requests in which Wade Lott provided Cost or Pricing Data to Consensus. Per the terms of your Agreement, each of these Change Orders and Change Order Requests are required to have Cost or Pricing Data which are factual, not judgmental; and are verifiable.

After reviewing the documents, I can offer the following regarding the specific discrepancies:

1. Change Order #1 – It appears that Consensus added 17% to Wade Lott's numbers which resulted in an overcharge of \$1,169.80 to the College.
2. Change Order #2 – Based on the attachments I reviewed, I cannot exactly point to which specific numbers were adjusted, but it appears as though Consensus showed direct subcontractor costs of \$7,454.00 while it only paid the subcontractor \$6,752.00. This resulted in an overcharge to the College of \$702.00.
3. Change Order #3 – It appears that Consensus added \$4/LF to Wade Lott's price of \$10.50/LF for trenching and filling. This resulted in an overcharge to the College of \$1,040.00.
4. Change Order #4 – It appears that Consensus added \$2/stripe to Wade Lott's price of \$6/stripe. This resulted in an overcharge to the College of \$214.00.

5. Change Order #4 – It appears that again Consensus added \$4/LF to Wade Lott's price of \$10.50/LF for trenching and filling. This resulted in an overcharge to the College of \$360.00.

According to my project records, there were (10) State approved Change Orders on this project with a total value of over \$132,560 dollars. Included in those (10) Change Orders were over (40) Change Order Requests which were approved based on review of Cost or Pricing Data provided by Consensus Construction.

This recent correspondence from Charles Wade places reasonable doubt on the factual accuracy of all Cost or Pricing Data submitted by Consensus Construction to the Owner/Architect over the course of this project.

To date, the College has paid Consensus the total contract sum of \$1,711,560.82 minus \$10,000 for final punch list. All close out documents have been submitted to the Owner and the project is Substantially Complete. I recommend that the College release no more funds to Consensus until such time that the Agency, the Agency's Attorney, and the Office of the State Engineer have had a chance to review the attached and a decision has been made on how to move forward.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James CC Rice', written over a horizontal line.

James CC Rice, AIA, LEED AP

encl

April 30, 2015

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, SC 29526
Ph. (843) 347-9390
Fax (843) 347-9399

James C. Rice, AIA
SGA Architecture
P. O. Box 1859
Pawleys Island, SC 29585

RE: Project: HGTC Building 300/400
Infrastructure Improvements, Phase II
General Contractor: Consensus Construction and Consulting, Inc.

Dear Mr. Rice:

As you know, Wade Lott served as a subcontractor for Consensus on the above project.

In the course of seeking information under the Freedom of Information Act in order to make a claim under Consensus' payment bond, Wade Lott received information concerning certain billings by Consensus to the owner for Wade Lott's work, and became aware of certain discrepancies in the amount of the payment to Wade Lott and the amount of cost for this work charged to the owner.

The purpose of this letter is to go on record that Wade Lott did not participate in the inflation of any cost invoices in the event that this discrepancy is uncovered by subsequent audit of the project.

I am attaching the four change orders showing the direct cost from Wade Lott and the change order from Consensus to the owner showing the cost to Consensus.


It appears that our invoice was altered to increase the amount of our charge. The charged number does not agree with the amount paid to Wade Lott by the contractor.

If you need any further information from us concerning these concerns, please contact the undersigned.

With kind regards, I remain

Yours very truly,

WADE LOTT, INC.


Charles Wade

Enclosures

Cc: Neil McCoy, HGTC
Andrew Cohen, State Engineer

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, SC 29526
Ph. (843) 347-9390
Fax (843) 347-9399

CHANGE ORDER #1 – Consensus to Owner 8/30/13

✓ CO#2 show direct cost from WL to be \$8,050.99 – Change Request #2. It appears provided fake documents on Wade Lott Letter Head. Our quote was for \$6,881.19 which was the amount given to WL in our CO with Consensus numbered CO#4. Result Consensus overcharged owner \$1,169.80
App 1770

✓ **CHANGE ORDER #2 – Consensus to Owner 9/24/13 - \$8,391.20**

Shown direct cost from WL to be \$7,454.00 – Change Request #4. CO#2 from Consensus to WL \$6,752.00. Overcharged owner \$702.00

✓ **CHANGE ORDER #3 – Consensus to Owner**

Shown direct cost from WL to owner - \$4,270 – Change Request #5. CO#7 Consensus to WL \$3,230.00.

Over charged owner - \$1,040.00

Added \$4/LH to WL price of \$10.50 for transit & fin

CHANGE ORDER #4 – Consensus to Owner 10/29/13 - \$40,638.10

✓ CO consists of numerous items. Consensus Change Request to owner #11 shows direct cost from WL of \$1,016.00 with what appears fake WL document. WL document provided to consensus was for \$802.00 which is the amount WL was given in CO#13. Over charged owner \$214.00

Added \$2/LH to WL price of \$6.69

✓ Consensus Change Request to Owner #13 shows direct cost from WL to owner - \$2,890.00 negotiated to 50% - \$1,445.00 with what appears fake WL document. WL document provided to Consensus was - \$2,170.00 negotiated to 50% - \$1,085.00. Consensus CO#14 to WL was \$1,085.00. Over charged owner \$360.00

Added \$4/LH to WL price of \$10.50 for transit & fin

Fran

From: Chais Sanders [chais@consensusconstruction.com]
Sent: Wednesday, July 31, 2013 1:46 PM
Subject: 'Charlie Wade (w19390@sccoast.net)'
Attachments: FW: HGTC 300/400 INF RFI02
RFI 002_Response.pdf

Please price the attached.

Chais Sanders | Senior Project Manager/Estimator | Consensus Construction & Consulting, Inc.
T 843.546.2667 | F 843.546.8186 | M 724.713.7314
4722 A Highway 17 Bypass South, Myrtle Beach SC 29588
Chais@consensusconstruction.com

Please consider the environment before printing this e-mail.

From: Patrick Williams [<mailto:PWilliams@SGAarchitecture.com>]
Sent: Wednesday, July 31, 2013 1:31 PM
To: Chais Sanders
Cc: James Rice; James Van Sanders; John O'Brien; Kristina Zushma
Subject: RE: HGTC 300/400 INF RFI02

Chais,
Please find attached response to RFI #2.

Pat

From: Chais Sanders [<mailto:chais@consensusconstruction.com>]
Sent: Tuesday, July 30, 2013 6:32 PM
To: Patrick Williams
Cc: James Rice; James Van Sanders; John O'Brien; Kristina Zushma
Subject: HGTC 300/400 INF RFI02

Patrick,

Please find the attached RFI. Let me know if you need any further information or clarification.

Thank you,

Chais Sanders | Senior Project Manager/Estimator | Consensus Construction & Consulting, Inc.
T 843.546.2667 | F 843.546.8186 | M 724.713.7314
4722 A Highway 17 Bypass South, Myrtle Beach SC 29588
Chais@consensusconstruction.com

Please consider the environment before printing this e-mail.



RFI

To: Patrick Williams
SGA Architecture
246 Business Center Lane - 4B
Pawleys Island, SC 29685
Ph: (843)979-5450 Fax: (843)979-5451

RFI #: 2
Date: 7/30/2013
Job: 13-C-228 HGTC Bldg 300/400 Phase 2 Infr
Phone:

CC: James Rice (SGA Architecture)

Subject: Existing Pavement Thickness

Drawing: C3
Cost Impact: TBD

Spec Section:
Schedule Impact: TBD

Request:

Date Required: 8/6/2013

Please note the existing conditions as discovered during pavement milling. As noted on C3, there was to be a 4' buffer between asphalt pavement demolition and existing curb/gutter. That remaining 4' was to be milled 1.5". As this area of pavement was milled, it was discovered to only be +/- 1.5". Thus there is no pavement left to "topcoat". Note the existing base material appears to be a clay/sandy mix.

Please provide a directive for this area.

See attached plan and photo's.

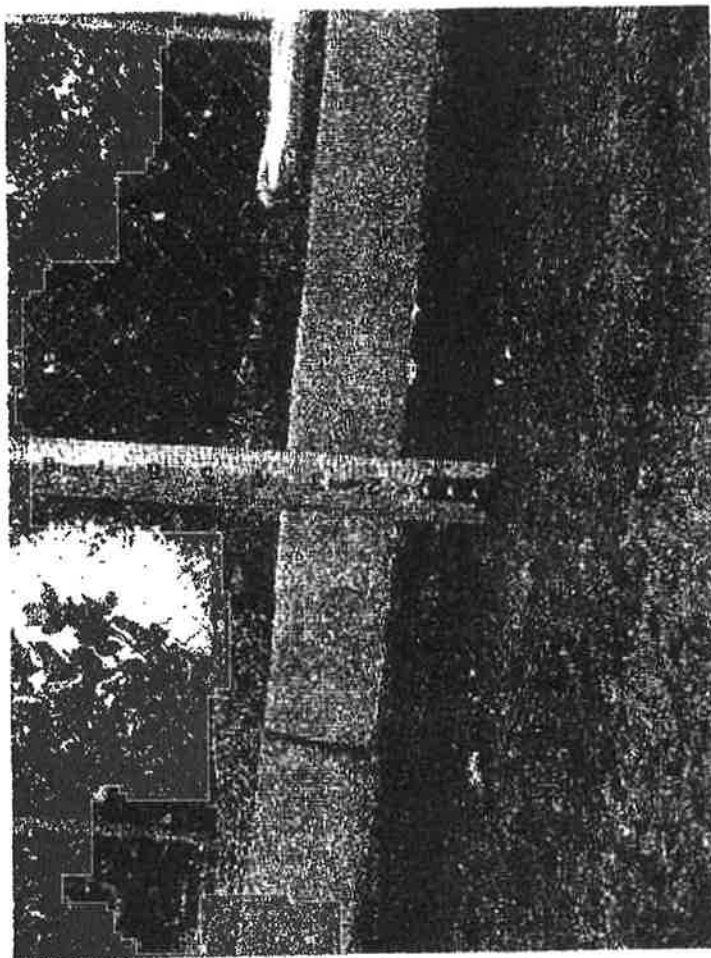
Requested by: Chas Sanders
Consensus Construction

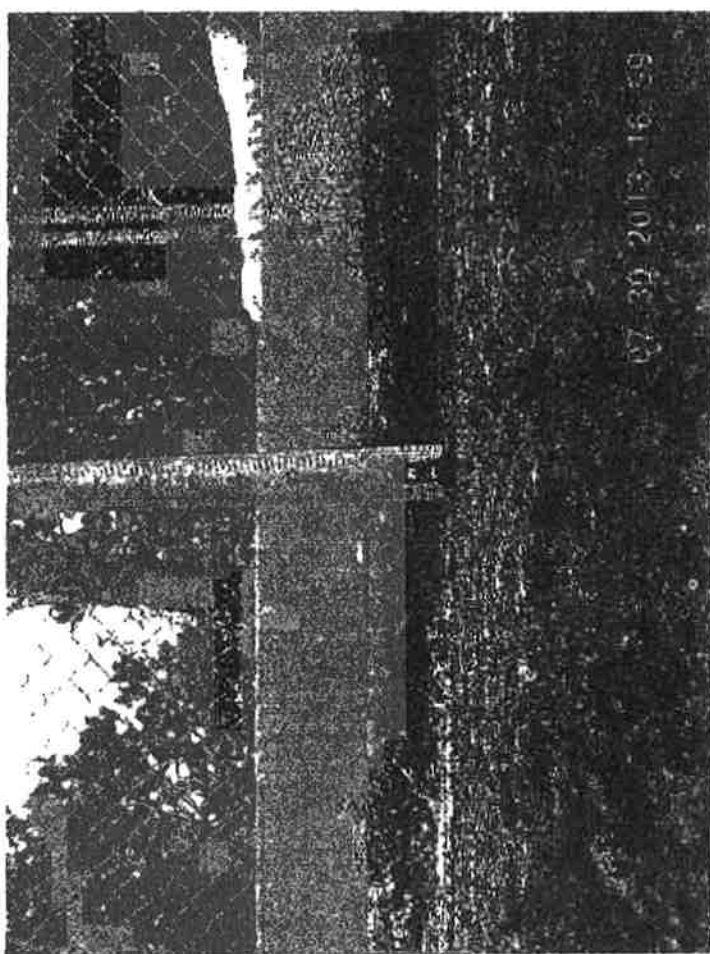
Response: • SGA recommends excavating this 4' strip and installing a full-depth asphalt pavement section, per Detail 1, Drawing C16.
• Submit pricing for recommended changes.

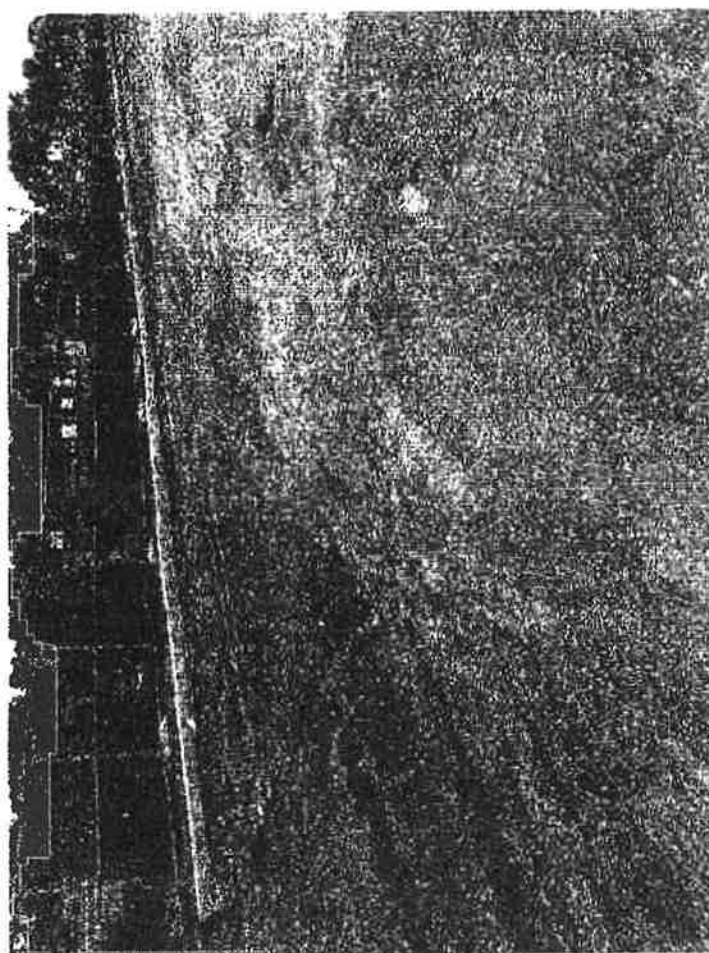
Answered by

Company

Date









CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : (843) 546-2667

Change Request

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843) 978-5450 Fax: (843) 979-5451

Number: 2
Date: 8/1/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 Infr
Phone: (843) 249-3609

Description: Additional Base & Asphalt

We are pleased to offer the following specifications and pricing to make the following changes:
Provide all labor, material and equipment to replace base and asphalt as described herein per RFI-02.

1. Excavate to establish rough subgrade and haul off excavated material.
4 1/2' x 515' x 1' - 103 CY @ \$6.60 CY \$660.50
- Prepare rough subgrade to final grade and compact subgrade.
257 SY @ \$1.60 SY \$411.20
- Install 18" thick GABC base material. 257 SY @ \$11.75 SY \$3,018.75
- Pave with 2" asphalt binder course. 257 SY @ \$10.82 SY \$2,806.44
- Pave with 1 1/2" asphalt surface. 257 SY @ \$8.69 SY \$2,233.33

Credit for 1 1/2" asphalt overlay. 257 SY @ \$8.69 SY

<\$2,233.33>

Subcontractor:	Sub-Total:	\$6,881.19
Subcontractor:	OH & P %17	\$1,189.80
Subcontractor:	Total	\$8,050.99

The total direct cost to perform this work is \$8,050.99
(Please refer to attached sheet for details.)

Insurance	\$8,050.99	1.00%	\$80.51
P&P Bond	\$8,050.99	2.00%	\$161.02
GC OH&P	\$6,881.19	10.00%	\$688.12
		Total:	\$2,880.64

The schedule will be TBD.

If you have any questions, please contact me at (843) 546-2667.

Submitted by: Chala Sanders
Consensus Construction

Approved by: _____
Date: _____

Cc:

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

July 31, 2013

Consensus Construction and Consulting

RFI#2

HGTC Building 300/400 - Infrastructure Phase 2 - Change Order

1. Excavate to establish rough subgrade and haul off excavated material. 4 1/2' x 515' x 1' - 103 CY @ \$6.50 CY	\$669.50
2. Prepare rough subgrade to final grade and compact subgrade. 257 SY @ \$1.50 SY	\$385.50
3. Install 10" thick GABC base material. 257 SY @ \$11.75 SY	\$3,019.75
4. Pave with 2" asphalt binder course. 257 SY @ \$10.92 SY	\$2,806.44
5. Pave with 1 1/2" asphalt surface. 257 SY @ \$8.69 SY	\$2,233.33
Credit for 1 1/2" asphalt overlay. 257 SY @ \$8.69 SY	<\$2,233.33>
Sub-Total Change Order:	\$6,881.19
OH & P %17	\$1,169.80 "
Total Change Order	\$8,050.99

Charlie Wade
Estimator

NOT FROM WADE LOTT.
NO SIGNATURE



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

OCT 29 2013

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-546-2667

Subcontract Change Order

Project:

13-C-229 HGTC Bldg 300/400 Phase 2 Infr
2050 Highway 501 East
Conway, SC 29526

Subcontract: 13.C.229-WAD

Change Order: 4

Date: 10/15/2013

To Contractor:

Wade-Lott, Inc.
289 E Cox Ferry Road
Conway, SC 29526

The Contract is changed as follows:

Additional Base, Binder, Asphalt per RFI 2

Remove, Replace, Grade Asphalt per plans and specs

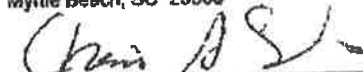
Cost Code	Change Request	Description	Amount
02-210		Grading	\$6,881.19

The original Contract Amount was	\$891,541.00
Net change by previously authorized Change Orders	\$16,005.00
The Contract Amount prior to this Change Order was	\$907,546.00
The Contract will be increased by this Change Order in the amount of	\$6,881.19
The new Contract Amount including this Change Order will be	\$914,427.19
The Contract Time will be TBD.	
The date of Substantial Completion as of the date of this Change Order therefore is	

NOT VALID UNTIL SIGNED BY THE SUBCONTRACTOR.

Consensus Construction
CONTRACTOR
4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588

Wade-Lott, Inc.
SUBCONTRACTOR
289 E Cox Ferry Road
Conway, SC 29526


(Signature)


(Signature)

Chris Sanders

CHARLES WADE

By
10/31/13

By
10/28/13

Date

Date

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

July 31, 2013


Consensus Construction and Consulting

REI#2

HGTC Building 300/400 -- Infrastructure Phase 2 -- Change Order

- | | |
|---|--------------|
| 1. Excavate to establish rough subgrade and haul off excavated material.
4 1/2' x 515' x 1' - 103 CY @ \$6.50 CY | \$669.50 |
| 2. Prepare rough subgrade to final grade and compact subgrade.
257 SY @ \$1.50 SY | \$385.50 |
| 3. Install 10" thick GABC base material. 257 SY @ \$11.75 SY | \$3,019.75 |
| 4. Pave with 2 1/2" asphalt binder course. 257 SY @ \$10.92 SY | \$2,806.44 |
| 5. Pave with 1 1/2" asphalt surface. 257 SY @ \$8.69 SY | \$2,233.33 |
| Credit for 1 1/2" asphalt overlay. 257 SY @ \$8.69 SY | <\$2,233.33> |

Total Change Order: \$6,881.19


Charlie Wade
Estimator

Wade Staff, den

11.11.11

HAIS Sanderson
Consensus Continuation and Consult
RFI #2

HCTC BL/300/400 - Infrastructure Phase 2 - Change Order

1. Excavate To establish rough subgrade and haul off excavated material $4\frac{1}{2}' \times 515' \times 1' - 103 \text{ c.y.} @ 6.75 - 669.50$
2. Prepare rough subgrade to final grade and compact subgrade - $2575.7 \text{ c.} @ 1.50 - 385.50$
3. Install 10" thick GABC base material. $2575.7 @ 1.25 - 3019.75$
4. Pave with $2\frac{1}{2}"$ asphalt binder course. $2575.7 @ 10.90 - 2806.44$
5. Pave with $1\frac{1}{2}"$ asphalt surface. $2575.7 @ 8.69 - 2233.33$

Credit For $1\frac{1}{2}"$ asphalt overlay $2575.7 @ 8.69 - 2,233.33$

Total Change Order $6,881.19$

Charles Wade
Estimator



4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-546-2857

Change Request

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843)979-6460 Fax: (843)979-6461

Number: 4
Date: 9/24/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 Int
Phone: (843)349-3608

Description: Sewer Location -New URS layout dated 9/5/13

We are pleased to offer the following specifications and pricing to make the following changes:

Provide all labor, material and equipment to install the proposed "new" 6" sewer line as described herein per RFI-06 and second layout provided on 8/6/13.

1. Demo existing concrete walks, sawcut through walks to remain.	\$343.00
2. Prepare subgrade for new 4" walks to be repoured.	\$145.00
3. Water and sewer change (Additional 60LF pipe, 1 clean out, 1 tie in)	\$3,575.00
4. Remove existing light and reinstall existing light in same location.	\$1,000.00
5. Form and pour new 4" concrete walks to replace demo walks 350SF @\$3.50	\$1,190.00
6. Regrade disturbed area 310 SY @\$1.00	\$310.00
7. Grass (hydroseed) disturbed area 3,060 SF @\$0.06	\$183.60
8. Remove and replace 18" RCP 24 LF @\$29.60	\$708.00

TOTAL: \$7,454.00

(Note: This price only reflects where pipe path crosses through walkway. Any additional sidewalk damage that is unavoidable, resulting from the proposed scope of work, will be replaced at the unit cost of \$4.64/SF +mark up.)

Alternate 1: Add 6' x 80' concrete walk and related work
(Demo, subgrade, form and pour, grade and grass)

ADD: \$2,613.00 (Additional price to replace whole walkway along new pipe.)

THE ABOVE SCOPE OF WORK WILL IMPACT THE DURATION OF THE CONSTRUCTION SCHEDULE

The total direct cost to perform this work is \$7,454.80
(Please refer to attached sheet for details.)

Insurance	\$7,454.80	1.00%	\$74.55
Bonding	\$7,454.80	2.00%	\$149.09
GC Fee	\$7,129.80	10.00%	\$712.98
		Total:	\$8,391.20

The schedule will be increased by 10 days.



4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-548-2867

If you have any questions, please contact me at (843)548-2867.

Submitted by: Kristina Zushma
Consensus Construction

Approved by: _____
Date: _____

Co:



4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-648-2867

Change Request 4 Price Breakdown Continuation Sheet

Description: Sewer Location -New URS layout dated 6/5/13

Description	Quantity	Unit	Unit Price	Price
Demo Concrete	1.00	ea	\$343.00	\$343.00
Prepare Subgrade	1.00	ea	\$145.00	\$145.00
Water and Sewer Pipe	80.00	ft	\$40.00	\$2,400.00
Water and Sewer Clean out	1.00	ea	\$350.00	\$350.00
Water and Sewer tie in	1.00	ea	\$500.00	\$500.00
Subcontractor mark up 10% on Water and Sewer	1.00	ea	\$325.00	\$325.00
Remove light	1.00	ea	\$1,000.00	\$1,000.00
New concrete	340.00	sqft	\$3.50	\$1,190.00
Regrade	310.00	cy	\$1.00	\$310.00
Grass	3,060.00	sqft	\$0.05	\$153.00
RCP	24.00	ft	\$29.50	\$708.00

Subtotal: \$7,454.00



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-546-2667

Subcontract Change Order

Project:

13-C-229 HGTC Bldg 300/400 Phase 2 Int
2050 Highway 501 East
Conway, SC 29526

Subcontract: 13.C.229-WAD

Change Order: 2

Date: 9/26/2013

To Contractor:

Wade-Lott, Inc.
289 E Cox Ferry Road
Conway, SC 29526

The Contract is changed as follows:

Sewer Install per layout 9/18/13

Provide all labor, material, equipment necessary to install the sewer line per URS's layout date 9/18/13 including but not limited to: demo of concrete, sawcuts, prepare subgrades, trenching, pour concrete, grass, removal and replace everything disturbed.

Cost Code	Change Request	Description	Amount
02-210		Sewer relocation	\$6,752.00

The original Contract Amount was	\$891,541.00
Net change by previously authorized Change Orders	\$27,146.00
The Contract Amount prior to this Change Order was	\$918,687.00
The Contract will be increased by this Change Order in the amount of	\$6,752.00
The new Contract Amount including this Change Order will be	\$925,439.00
The Contract Time will be TBD.	
The date of Substantial Completion as of the date of this Change Order therefore is	

NOT VALID UNTIL SIGNED BY THE SUBCONTRACTOR.

Consensus Construction
CONTRACTOR

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588

Wade-Lott, Inc.
SUBCONTRACTOR

289 E Cox Ferry Road
Conway, SC 29526

Chris A. S.
(Signature)

Charlie Wade
(Signature)

Sur. Project Manager

Secretary Treasurer

9/27/13
Date

9/27/13
Date



COR #5

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-546-2687

Change Request

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843)979-5450 Fax: (843)979-5451

Number: 5
Date: 8/26/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 Infr
Phone: (843)349-3609

Description: RFI #7 Unidentified Storm Drain

We are pleased to offer the following specifications and pricing to make the following changes:

Per RFI07:

1. Remove 260 LF of storm drain pipe and dispose of legally and back
fill trench with onsite dirt. @ \$14.50 LF \$3,770.00
2. Demo 2 each drainage structure and dispose of legally.
@ \$250.00 Each \$ 500.00

TOTAL \$4,270.00

The total direct cost to perform this work is \$4,270.00
(Please refer to attached sheet for details.)

Insurance	\$4,270.00	1.00%	\$42.70
Bond	\$4,270.00	2.00%	\$85.40
Fee	\$4,270.00	10.00%	\$427.00
		Total:	\$4,825.10

The schedule will be TBD.

If you have any questions, please contact me at (843)546-2687.

Submitted by: Kristina Zushma
Consensus Construction

Approved by: _____
Date: _____

Cc:



4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-548-2867

Change Request 5 Price Breakdown
Continuation Sheet

Description: RFI #7 Unidentified Storm Drain

Description	Quantity	Unit	Unit Price	Price
Storm Drain Removal/ Disposal	260.00	#	\$14.50	\$3,770.00
Demo Drainage structure	2.00	ea	\$250.00	\$500.00
Subtotal:				\$4,270.00

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

September 26, 2013

Consensus Construction and Consulting
HGTC Phase 2 RFI #7

- | | |
|--|---------------------|
| 1. Remove 260 LF of storm drain pipe and dispose of legally and back fill trench with onsite dirt. @ \$14.50/LF | \$3,770.00 |
| 2. Demo 2 each drainage structure and dispose of legally. @ \$250.00 Each | \$500.00 |
| 3. Convert unidentified drop inlet box to manhole ring and cover and adjust to grade in new paved area. 1 Ea @ \$850.00 | \$850.00 |

Total Change Order: ~~\$5,120.00~~
\$4,270.00


Charlie Wade
Estimator





CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-546-2667

DATE: 10/31/2013

Subcontract Change Order

Project:

13-C-229 HGTC Bldg 300/400 Phase 2 Infr
2060 Highway 501 East
Conway, SC 29526

Subcontract: 13.C.229-WAD

Change Order: 7

Date: 10/31/2013

To Contractor:

Wade-Lott, Inc.
289 E Cox Ferry Road
Conway, SC 29526

The Contract is changed as follows:

Unidentified Storm Drain b/w pond and bldg 400

Remove and dispose: all of the unidentified storm drain pipe discovered between the pond and building 400. Backfill trench to finish grade. Demo 2 drainage structures. Dispose of all materials legally.

Cost Code	Change Request	Description	Amount
02-210		Remove and Dispose Drain Pipe	\$2,730.00
02-210		Demo and Dispose of 2 drainage structures	\$500.00
Total:			\$3,230.00

The original Contract Amount was	\$891,541.00
Net change by previously authorized Change Orders	\$52,004.19
The Contract Amount prior to this Change Order was	\$943,545.19
The Contract will be increased by this Change Order in the amount of	\$3,230.00
The new Contract Amount including this Change Order will be	\$946,775.19
The Contract Time will be unchanged.	
The date of Substantial Completion as of the date of this Change Order therefore is	

NOT VALID UNTIL SIGNED BY THE SUBCONTRACTOR.

Consensus Construction
CONTRACTOR
4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588

Wade-Lott, Inc.
SUBCONTRACTOR
289 E Cox Ferry Road
Conway, SC 29526

[Signature]
(Signature)

[Signature]
(Signature)

[Signature]
By

[Signature]
By

Date

Date

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

September 26, 2013

Consensus Construction and Consulting
HCTC Phase 2 RFI #7

- | | |
|--|---------------------|
| 1. Remove 260 LF of storm drain pipe and dispose of legally and back fill trench with onsite dirt. @ \$10.50 LF | \$2,730.00 |
| 2. Demo 2 each drainage structure and dispose of legally. @ \$250.00 Each | \$500.00 |
| 3. Convert unidentified drop inlet box to manhole ring and cover and adjust to grade in new paved area. 1 Ea @ \$850.00 | \$850.00 |

Total Change Order: ~~\$4,080.00~~

\$ 3230.00



Charlie Wade
Estimator

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

September 26, 2013

Consensus Construction and Consulting
HGTC Phase 2 RFI #7

1. Remove 260 LF of storm drain pipe and dispose of legally and back fill trench with onsite dirt. @ \$10.50/LF \$2,730.00
2. Demo 2 each drainage structure and dispose of legally. @ \$250.00 Each \$500.00
3. ~~Convert unidentified drop inlet box to manhole ring and cover and adjust to grade in new paved area. 1 Ea @ \$850.00~~ ~~\$850.00~~

Total Change Order: ~~\$4,080.00~~
3,230.00

*has not
been directed
yet
9/27/13*

Charlie Wade
Charlie Wade
Estimator



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

COR #11

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph: 843-548-2887

Change Request

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843)979-5450 Fax: (843)979-5451

Number: 11
Date: 10/15/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 Int
Phone: (843)349-3600

Description: Temporary Striping Area 2

We are pleased to offer the following specifications and pricing to make the following changes:

Furnish and install per Neil McCoy's request:

- | | |
|---|----------|
| 1. Stripe parking spaces | \$886.00 |
| 2. Paint H/C symbols | \$280.00 |
| 3. Labor only to remove and reinstall bumper blocks | \$ 60.00 |

TOTAL: \$1,016.00

The total direct cost to perform this work is **\$1,016.00**
(Please refer to attached sheet for details.)

Insurance	\$1,016.00	1.00%	\$10.16
Bond	\$1,016.00	2.00%	\$20.32
GC Fee	\$1,016.00	10.00%	\$101.60
Total:			\$1,148.08

The schedule will be TBD.

If you have any questions, please contact me at (843)548-2887.

OK AR 10/23/13

*THIS COR TO BE INCLUDED w/NOT SE-480
C.O. #4*

Submitted by: Kristina Zushma
Consensus Construction

Approved by: APV/D
Date: _____

Cc:



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph : 843-548-2887

**Change Request 11 Price Breakdown
Continuation Sheet**

Description: Temporary Striping Area 2

Description	Quantity	Unit	Unit Price	Price
Stripe	87.00	ea	\$8.00	\$696.00
H/C symbols	4.00	ea	\$65.00	\$260.00
Remove/ install blocks	4.00	ea	\$15.00	\$60.00
			Subtotal:	\$1,016.00

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

August 6, 2013

Consensus Construction and Consulting
HGTC Phase 2 Change Order Temporary Striping Area 2

1. Stripe parking spaces. 87 ea @ \$8.00 ea	\$696.00
2. Paint H/C symbols 4 ea @ \$65.00	\$260.00
3. Labor only to remove and reinstall bumper blocks 4 ea @ \$15.00 ea	<u>\$60.00</u>

Total Change Order: (\$1,016.00)

Charlie Wade
Estimator





4722 A Highway 17 Bypass South
Myrtle Beach, SC 29566
Ph: 843-645-2887

Letter of Transmittal

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843)879-6450 Fax: (843)879-6451

Transmittal #: 60
Date: 10/15/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 int

Subject: Change Request - 11: Temporary Striping Area 2

WE ARE SENDING YOU ☒ Attached ☐ Under separate cover via the following items:
☐ Shop drawings ☐ Prints ☐ Plans ☐ Samples
☐ Copy of letter ☐ Change order ☐ Specifications ☒ Change Request

Document Type	Copies	Date	No.	Description
Change Request	1	10/15/13	11	Temporary Striping Area 2

THESE ARE TRANSMITTED as checked below:

☒ For approval ☐ Approved as submitted ☐ Resubmit ___ copies for approval
☒ For your use ☐ Approved as noted ☐ Submit ___ copies for distribution
☐ As requested ☐ Returned for corrections ☐ Return ___ corrected prints
☐ For review and comment ☐ Other
☐ FOR BIDS DUE ☐ PRINTS RETURNED AFTER LOAN TO US

Remarks:

Copy To:

From: Kristina Zuehlke (Consensus Construction)

Signature: _____



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29586
Ph. 843-546-2667

Subcontract Change Order

Project:
13-C-229 HGTC Bldg 300/400 Phase 2 Infr
2050 Highway 501 East
Conway, SC 29526

Subcontract: 13.C.229-WAD
Change Order: 13
Date: 11/4/2013

To Contractor:
Wade-Lott, Inc.
289 E Cox Ferry Road
Conway, SC 29526

The Contract is changed as follows:

Temporary Striping Area 2

Furnish and install temporary striping, H/C symbols, and remove and reinstall bumper blocks in Area 2.

Cost Code	Change Request	Description	Amount
02-210		Temp. Striping	\$502.00

The original Contract Amount was	\$821,541.00
Net change by previously authorized Change Orders	\$61,288.19
The Contract Amount prior to this Change Order was	\$952,830.19
The Contract will be increased by this Change Order in the amount of	\$502.00
The new Contract Amount including this Change Order will be	\$953,332.19
The Contract Time will be unchanged.	
The date of Substantial Completion as of the date of this Change Order therefore is	

NOT VALID UNTIL SIGNED BY THE SUBCONTRACTOR.

Consensus Construction
CONTRACTOR
4722 A Highway 17 Bypass South
Myrtle Beach, SC 29586

Wade-Lott, Inc.
SUBCONTRACTOR
289 E Cox Ferry Road
Conway, SC 29526

[Signature]
(Signature)

Charles Wade
(Signature)

By *[Signature]*
Date *11/4/13*

By *Charles Wade*
Date *11/4/13*


Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

August 6, 2013

Consensus Construction and Consulting
HGTC Phase 2 Change Order Temporary Striping Area 2

- | | |
|---|----------------|
| 1. Stripe parking spaces. 87 ea @ \$6.00 ea | \$522.00 |
| 2. Paint H/C symbols 4 ea @ \$60.00 | \$240.00 |
| 3. Labor only to remove and reinstall bumper blocks 4 ea @ \$10.00 ea | <u>\$40.00</u> |

Total Change Order: \$802.00


Charlie Wade
Estimator



Cor 13 R-1

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph: 843-546-2667

Change Request

To: Patrick Williams
SGA Architecture
245 Business Center Lane - 4B
Pawleys Island, SC 29585
Ph: (843)979-5450 Fax: (843)979-5451

Number: 13 Rev1
Date: 10/28/2013
Job: 13-C-229 HGTC Bldg 300/400 Phase 2 Int
Phone: (843)349-3809

Description: Additional Demo/Removal 12" RCP

We are pleased to offer the following specifications and pricing to make the following changes:

Remove 160 Lf of 12" RCP and Drop Inlet not designated to be removed per C3 of the contract documents.

12" RCP and drop inlet not shown to be demolished on plans (See attached)

1. Remove and Dispose of 12" RCP	\$2,610.00
2. Demo and Remove drop inlet	\$ 280.00
TOTAL	\$2,890.00

Negotiated terms: To be completed at 50% of rate.

The total direct cost to perform this work is \$1,445.00
(Please refer to attached sheet for details.)

Insurance	\$1,445.00	1.00%	\$14.45
Bond	\$1,445.00	2.00%	\$28.90
GC Fee	\$1,445.00	10.00%	\$144.50
Total:			\$1,632.85

The schedule will be TBD.

OK for 10/28/13

If you have any questions, please contact me at (843)646-2667.

THH Cor to be included - W/ST SB-ABO
C.O. #4

Submitted by: Chris Sanders
Consensus Construction

Approved by: _____
Date: _____

Cc:



CONSENSUS
Construction & Consulting, Inc.
An O'Brien Industry Company

4722 A Highway 17 Bypass South
Myrtle Beach, SC 29568
Ph : 843-648-2867

**Change Request 13 Rev1 Price Breakdown
Continuation Sheet**

Description: Additional Demo/Removal 12" RCP

Description	Quantity	Unit	Unit Price	Price
Remove & Dispose 12" RCP	180.00	lf	\$14.50	\$2,610.00
Negotiated Deduction	180.00	lf	\$-7.25	\$-1,305.00
Demo Drop Inlet	1.00	ea	\$280.00	\$280.00
Negotiated Deduction	1.00	ea	\$-140.00	\$-140.00
Subtotal:				\$1,445.00

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

October 8, 2013

Consensus Construction and Consulting
HGTC Phase 2 Change Order Request

Chais,

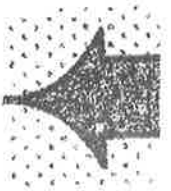
My superintendent, David Baker, has brought more demolition that has to be done that was not shown on Demolition Plan Sheet #1 C-3.

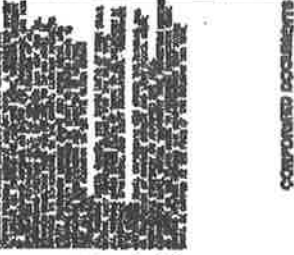
There is 180 LF of 12" RCP and 1 ea drop inlet that will have to be removed for the new 18" RCP to be installed in that area. The area is near where the sewer line was relocated.

1. Change Order to remove and dispose of 180 LF of 12" RCP @ \$14.50 LF \$2,610.00
2. Demo and remove drop inlet for disposal 1 ea @ \$280.00 \$280.00

Total: \$2,890.00


Charlie Wade
Estimator





- [illegible]

100 90 80 70 60 50 40 30 20 10 0

NOTE:
 THESE RECORDS ARE OPEN
 TO PUBLIC ON FILE.

DATE: _____ BY: _____

SEARCHED _____ INDEXED _____
 SERIALIZED _____ FILED _____
 MAR 1964 FBI - NEW YORK

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 07-10-2001 BY 60322
 1043

10



4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588
Ph 843-546-2607

Subcontract Change Order

Project:
13-C-229 HGTC Bldg 300/400 Phase 2 Infr
2050 Highway 501 East
Conway, SC 29526

Subcontract: 13.C.229-WAD
Change Order: 14
Date: 11/4/2013

To Contractor:
Wade-Lott, Inc.
289 E Cox Ferry Road
Conway, SC 29526

The Contract is changed as follows:

Additional Demo/ Removal of 12" RCP

Remove and dispose of 180 LF of 12" RCP and 1 drop inlet. Note: Agreement was made to approve 1/2 of this change order only. (\$2,170.00/2=\$1,085.00)


Cost Code	Change Request	Description	Amount
02-210		Demo/ Removal of 12" RCP	\$1,085.00


The original Contract Amount was	\$891,641.00
Net change by previously authorized Change Orders	\$62,091.19
The Contract Amount prior to this Change Order was	\$953,632.19
The Contract will be increased by this Change Order in the amount of	\$1,085.00
The new Contract Amount including this Change Order will be	\$954,717.19
The Contract Time will be unchanged.	
The date of Substantial Completion as of the date of this Change Order therefore is	

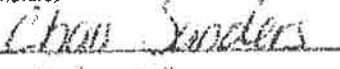
NOT VALID UNTIL SIGNED BY THE SUBCONTRACTOR.

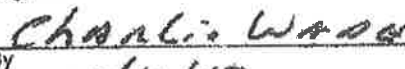
Consensus Construction
CONTRACTOR
4722 A Highway 17 Bypass South
Myrtle Beach, SC 29588

Wade-Lott, Inc.
SUBCONTRACTOR
289 E Cox Ferry Road
Conway, SC 29526


(Signature)


(Signature)

By 
Date 11/14/13

By 
Date 11/4/13

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

October 8, 2013

Consensus Construction and Consulting
HGTC Phase 2 Change Order Request


Chais,

My superintendent, David Baker, has brought more demolition that has to be done that was not shown on Demolition Plan Sheet #1 C-3.

There is 180 LF of 12" RCP and 1 ea drop inlet that will have to be removed for the new 18" RCP to be installed in that area. The area is near where the sewer line was relocated.

1. Change Order to remove and dispose of 180 LF of 12" RCP @ \$10.50 LF \$1,890.00
2. Demo and remove drop inlet for disposal 1 ea @ \$280.00 \$280.00

Total: \$2,170.00


Charlie Wade
Estimator

*Negotiated 10/25/13
w/ owner / Charlie - John Lott /
50%*

Wade Lott, Inc.
289 East Cox Ferry Road
Conway, S.C. 29526
Ph. (843) 347-9390
Fax (843) 347-9399

October 8, 2013

Consensus Construction and Consulting
HGTC Phase 2 Change Order Request

Chais,

My superintendent, David Baker, has brought more demolition that has to be done that was not shown on Demolition Plan Sheet #1 C-3.

There is 180 LF of 12" RCP and 1 ea drop inlet that will have to be removed for the new 18" RCP to be installed in that area. The area is near where the sewer line was relocated.

1. Change Order to remove and dispose of 180 LF of 12" RCP @ \$10.50/LF \$1,890.00
2. Demo and remove drop inlet for disposal 1 ea @ \$280.00 \$280.00

Total: \$2,170.00


Charlie Wade
Estimator

CHASE WILL TURN
IN & SEE WHAT
HAPPENS

Fran

From: Fran [wl9390@sccoast.net]
Content: Tuesday, October 08, 2013 4:18 PM
Subject: 'Chais Sanders'
Attachments: More Demolition to be done
2013_10_08_16_17_03.pdf

Chais,

Please see attached from Mr. Charlie.

Thank you,

Fran

10/8/13

Wade Lott, owner
Concussion Construction and Consulting
HGTC Phase 2 Change Order Request
Chair,

My Supt. David Baker has brought
more demolition that has to be done that
was not shown on Demolition Plan Sheet
#1 C-3.

There is 180 LF of 12" RCP and 1 ea
drop inlet that will have to be removed
for the new 18" RCP to be installed
in that area. The area is near where
the sewer line was relocated.

Change order to remove and dispose 180 LF
of 12" RCP @ 10.50 LF

1,290-

Demo and remove drop inlet for disposal for a 280-

Total 2170-

Charlie Wade

Fran

From: Chais Sanders [chais@consensusconstruction.com]
Sent: Tuesday, October 08, 2013 4:49 PM
To: 'Fran'
Cc: James Van Sanders; Kristina Zushma
Subject: RE: More Demolition to be done

Could you show location of the pipe to be removed on C3? (Draw it right on the plan in red). I can have Jim take photo's tomorrow. I will need this for change order back up.

Thank you.

Chais Sanders | Senior Project Manager/Estimator | Consensus Construction & Consulting, Inc.
T 843.546.2867 | F 843.546.8186 | M 724.713.7314
4722 A Highway 17 Bypass South, Myrtle Beach SC 29588
Chais@consensusconstruction.com

Please consider the environment before printing this e-mail.

From: Fran [mailto:wl9390@sccoast.net]
Sent: Tuesday, October 08, 2013 4:18 PM
To: Chais Sanders
Subject: More Demolition to be done

is,

Please see attached from Mr. Charlie.

Thank you,

Fran

