

Waterway Boulevard Pathway Project
(RFB 2025.10)

Quality Enterprises USA, Inc.
Bid Protest

- QE submitted a timely, responsive bid on the Project
 - \$2,593,505.99
 - QE was determined to be the lowest bidder on the Project
- City elected to award the contract to Bastion Group
 - bid was \$2,890,156.00, which is \$296,650.01 higher than QE's bid
- Under Section 1-10-5(c)(12) of the Purchasing Procedures, the City is required to award contracts to the "lowest responsible bidder"
- City deemed QE "not responsible"

- When the award is not given to the lowest bidder, Section 1-10-5(c)(13) of the Purchasing Procedures mandates that "a full and complete statement of the reasons for same shall be prepared or approved by the Purchasing Agent, filed with the documents relating to the transaction...."
- Here, the statement provided appears to show that the grounds for deeming QE non-responsible were that QE made claims on a prior project (see email dated Dec. 31, 2025)

From: Karkowski, Rick
Sent: Wednesday, December 31, 2025 4:24 PM
To: Douglas Kerr (dkerr@iop.net) <dkerr@iop.net>
Cc: Valenzuela, Maria <valenzuela.m@tandh.com>; Aton, Hillary <aton.h@tandh.com>
Subject: IOP Waterway Blvd Pathway - Bid Tabulation

Dougals,

Attached is a draft of the tabulation spreadsheet. I did some graphs of cost groupings to show differences. Water and sewer utilities appears to be the major cost differential.

I also went back to the outfall projects (30th and Forest Trails) and summarized the change orders requested by QE.

1. Material/product substitution – RedValve check valves installed instead of the specified WaStop check valve – contractor savings approximately \$176,000 (need to confirm this number, but that is what I remember). Also, significant Engineer time also required.
2. Change orders 1-6 totaling: \$122,132.32
3. Change order 9 (CO 7-8 not used) QE requested : original: \$230,936.66, revised to \$238,227.76. Denied by Engineer.Appealed by Contractor. Settled for convenience at mediation for \$80,000 (?).

2

Total CO's requested \$536,360.00. Total CO's granted approximately \$378,132.32. QE was the low bidder for the project (\$2,270,822.51). The next lowest bidder was Gulf Stream at \$3,027,921.70 (a \$757,099.19 difference).

Bastion Group had no change orders on the 41st Ave. outfall project.

Truluck Marine had no contractor-initiated change orders on the Phase 1 work for the pathway (Wild Dunes Golf Course). All 3 CO were owner requested.

Have a happy new year. I will be in the office Friday morning if you would like to talk.

Rick

RICK KARKOWSKI, PE, PH, D.WRE | Principal/Water Resources Manager
THOMAS & HUTTON
p 843-725-5280 m 843-708-1509
e karkowski.r@tandh.com
a 682 Johnnie Dodds Blvd.; Suite 100 | Mt. Pleasant, SC 29464
[vCard](#) | [Website](#) | [LinkedIn](#) | [Facebook](#) | [Instagram](#) | [YouTube](#)

Dougals,

Attached is a draft of the tabulation spreadsheet. I did some graphs of cost groupings to show differences. Water and sewer utilities appears to be the major cost differential.

I also went back to the outfall projects (30th and Forest Trails) and summarized the change orders requested by QE.

1. Material/product substitution – RedValve check valves installed instead of the specified WaStop check valve – contractor savings approximately \$176,000 (need to confirm this number, but that is what I remember). Also, significant Engineer time also required.
2. Change orders 1-6 totaling: \$122,132.32
3. Change order 9 (CO 7-8 not used) QE requested : original: \$230,936.66, revised to \$238,227.76. Denied by Engineer.Appealed by Contractor. Settled for convenience at mediation for \$80,000 (?).

Total CO's requested \$536,360.00. Total CO's granted approximately \$378,132.32. QE was the low bidder for the project (\$2,270,822.51). The next lowest bidder was Gulf Stream at \$3,027,921.70 (a \$757,099.19 difference).

Bastion Group had no change orders on the 41st Ave. outfall project.

Truluck Marine had no contractor-initiated change orders on the Phase 1 work for the pathway (Wild Dunes Golf Course). All 3 CO were owner requested.

Have a happy new year. I will be in the office Friday morning if you would like to talk.

Rick

RICK KARKOWSKI, PE, PH, D.WRE | Principal/Water Resources Manager

THOMAS & HUTTON

p 843-725-5280 **m** 843-708-1509

e karkowski.r@tandh.com

a 682 Johnnie Dodds Blvd.; Suite 100 | Mt. Pleasant, SC 29464

[vCard](#) | **[Website](#)** | **[LinkedIn](#)** | **[Facebook](#)** | **[Instagram](#)** | **[YouTube](#)**

- QE is a responsible bidder under all criteria set forth in the Purchasing Procedures – 1-10-5(c)(12).
 - QE is a full-service, national contractor that has been in business for more than 55 years.
 - Pre-selected / pre-qualified utility contractor, and bonded.
 - QE has an outstanding reputation in the industry.
 - QE possesses all necessary licenses, certifications, and insurance required by law and by the terms of the solicitation.
 - QE has a proven track record of completing projects on time and within budget, and it has the personnel, equipment, and financial resources necessary to perform the work.
- A “responsible” contractor is one that is capable of performing the contract requirements
- To withstand review, a finding of non-responsibility must specific and supported