

# Plaintiffs detail their grievances against Augusta

By **Sandy Hodson** | *Staff Writer*  
Sunday, June 29, 2008

As instructed by a federal judge, those suing the city of Augusta over its purchasing practices have gotten specific with their allegations of collusion and bid-rigging.

Three private businesses and the Association for Fair Government filed suit against the city and Procurement Director Geri Sams in February. This month, U.S. Magistrate Judge W. Leon Barfield ordered plaintiffs to spell out their specific complaints if they wanted to continue with the case.

The plaintiffs' attorney filed a 57-page amended complaint June 19 with 95 pages of exhibits.

Among the allegations:

- **MAY 2006:** The procurement department did nothing to verify an alleged false claim by Reliable Demolition and Construction of Stone Mountain that it was a registered disadvantaged business, and Ms. Sams allowed Reliable to continue the demolition project without a bond, as required on all large city contracts.

- **FEBRUARY 2007:** The two companies competing for environmental testing at the Highland Water Plant both allegedly didn't include the proper number of copies, but only one, whose bid was more than \$100,000 cheaper, was rejected.

- **OCTOBER 2007:** The same two companies submitted bids to do testing at the J.B. Messerly Plant, and the company whose bid was \$100,000 cheaper allegedly was wrongfully rejected for paperwork requirements.

The plaintiffs contend that white-owned businesses aren't allowed to compete on the same playing field for lucrative city contracts. They say the rules are bent to award those contracts to minority-owned businesses that are often owned by friends, family members and political insiders.

The lawsuit alleges Ms. Sams acted with malice or gross negligence by allowing the commission to award contracts based on false information. It further accuses Ms. Sams of gross negligence, saying she manipulated financial information from one company to convince commissioners to award a contract that needlessly cost taxpayers more than \$100,000 extra.

While white-owned local businesses were held to the strict city code provision that mandates bidders must comply with every requirement exactly as specified, minority-owned business owners and those with city hall connections were allowed to slide, the lawsuit alleges.

For example, the lawsuit claims:

- White-Line got the contract for work stations, at an extract cost of about \$20,000 for taxpayers, although its bid allegedly lacked certain forms.

- J&B Construction of Columbia County won the contract for demolition at the site of the new downtown library, though three others would have done the work cheaper, when its proposal allegedly lacked required documentation.

- Contract Management of Augusta, which sells and installs fencing, beat a white-owned business for a fencing job at the health department, even though both allegedly didn't include required forms in their proposals.

- Vastec Group of Augusta was awarded a contract to clear a site and build a fire station, though it allegedly falsified its minority-ownership status.

"(Ms.) Sams has abused her position and authority to implement a policy of discrimination which (the city) ratified and approved through its silence and/or lack of remedial action," the lawsuit reads.

The lawsuit further alleges that contracts are being artificially divided to circumvent the commission. The city code requires commission approval for any contract worth more than \$20,000.

For example, the lawsuit contends Uniform Commands by John, a uniform supply company, will receive \$212,300 this year without commission oversight.

The federal magistrate judge ordered the plaintiffs -- Thompson Building Wrecking, CSRA Testing & Engineering Co., Artistic Design & Promotions and the association of taxpayers -- to present more specific allegations to give the city a fairer opportunity to respond.

The city should respond to the new specifics next month. In earlier responses, city attorneys have denied any suggestion that the city purchasing practices ever deviate from legal and fair transactions.

**BACKGROUND:** Local businesses and a loose association of residents have battled with the city over purchasing practices since last year. **DEVELOPMENTS:** An investigation by The Augusta Chronicle found that city taxpayers could have saved about \$2 million for goods and services in 2006 and 2007 if the city had gone with the lowest bidders. **TAKING ACTION:** Company owners who complain that contacts are unfairly steered to favored firms have filed suit against the city. The most comprehensive lawsuit was filed in U.S. District Court in February.

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*From the Sunday, June 29, 2008 edition of the Augusta Chronicle*