



Website: <http://www.kconinc.com>

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U.S. Department of Homeland Security
United States Coast Guard
Facilities Design & Construction Center
5505 Robin Hood Road, Suite K
Norfolk, VA 23513-2431

VIA E-MAIL, FAX and US MAIL -1
July 28, 2005

ATTN: Ms. Cathy Broussard, Contracting Officer

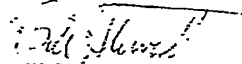
RE: CLAIM - REQUEST FOR CONTRACTING OFFICER'S FINAL DECISION
Contract No. DTCG47-03-F-3EFK24

Dear Ms. Broussard,

Pursuant to the Contract Disputes Act and the disputes clause of the contract, the contractor, K-Con Building Systems, Inc. (K-Con), hereby demands payment of \$118,950.68 plus interest, which is being wrongfully withheld on the contract. This amount represents the contract balance less \$1,000 to preserve pending claims. This matter is considered in dispute based upon the USCG's letter dated April 7, 2005 (Ser. No: 0241K) which returned invoice number 12 unpaid. The refusal to pay, the return of the invoice unprocessed, and the assessment of liquidated damages is a breach of the contract. The assessment of liquidated damages is not appropriate because K-Con was not the sole cause of any alleged delays, any alleged delays by K-Con are concurrent with delays caused by the government, the government failed to issue extensions to the completion date as a result of changes to the contract by the government, and the liquidated damages are an impermissible penalty. A Final Contracting Officer's Decision is requested within sixty (60) days as required by the Contract Disputes Act. No Certification is required since the assessment of liquidated damages is a claim by the government.

Please contact me if you have any questions.

Sincerely,


Bill Stewart
K-Con, Inc.

Shipping Address: 2728 Spruill Ave., Charleston, SC 29405