



November 3, 2025

Via email transmission

Mr. Chase Wells, P.E.
ODOT Central Office
Division of Construction Management
1980 W. Broad Street
Columbus, Ohio 43223

Re: Dispute No. 04-230484-01: Step 3 Submission of Karvo Companies, Inc.

Dear Mr. Wells:

I am writing on behalf of Karvo Companies, Inc. (“Karvo”) with respect to the referenced dispute, and in preparation for our Step 3 meeting. Attached is a PowerPoint we will be presenting at the meeting, which is fully incorporated herein. Karvo is writing without waiver and with a full reservation of all rights.

I. Overview

On May 1, 2024, Karvo put ODOT on notice of an unforeseen differing-site condition relating to the subgrade. The plans as designed and put out to bid do not reflect the existing subgrade. That differing condition was not subject to pre-bid reasonable investigation. The result is that Karvo expended time and money in remediation of a condition to benefit ODOT that was not reflected in the bid documents. This unforeseen condition, as foretold by Karvo in the May 1, 2024, notice, made it virtually impossible to achieve the PN420 rideability requirements. The result is further exacerbated by the fact that PN420 rideability requirements for the as-bid design have no relationship with the subgrade realities. Since receiving the notice, ODOT did not direct Karvo to perform any remediation work or otherwise attempt to remedy the problem. ODOT’s insistence upon a standard applied to a design and put out to bid is a flawed attempt to foist the consequences of the design error upon Karvo. Karvo is entitled to payment

in full in the amount of \$87,406.04, and ODOT's \$-435,731.46 "disincentive" should be rejected out-of-hand.

II. Factual Statement

As reflected in the attached Exhibit, the subgrade was represented to have certain characteristics. As further reflected in the attached Exhibit, in reality, the subgrade was significantly deteriorated. ODOT suggests a pre-bid investigation was required, but that once again begs the question: what was observable as part of a reasonable investigation? ODOT's position is irreconcilably circular. It was not until work began that the differing conditions became apparent, and ODOT was promptly notified. No other contractor brought this up as a pre-bid question or at the preconstruction meeting. By definition, it was "preconstruction". There was therefore no way to know there was an issue until construction began, and then ODOT was promptly put on notice. The ability to achieve rideability standards upon the as-bid subgrade was vastly different and more complicated in reality. The differing condition was not discoverable upon a reasonable pre-bid inspection as it was buried in the subsurface. Karvo is not responsible for the flawed design. ODOT is.

III. Karvo's Legal Position

This is an obvious differing site condition. As such, Karvo cannot be held to the standards of rideability put out to bid. Should ODOT want to achieve those standards, then Karvo is entitled to compensation for the costs associated with any direction to do so. Moreover, application of the PN420 standards and associated disincentive costs associated with failing to meet those standards when the bid conditions did not exist is curious, at best, and an effort to foist upon Karvo the costs associated with the flawed design, at worst.

IV. Conclusion

In summary, this is a differing-site condition for which Karvo is not responsible. ODOT is trying to foist the costs of this unknown and unforeseeable issue upon Karvo: indeed, it was not part of the drawings ODOT put out to bid. In other words, ODOT did not know either. Karvo is not legally or contractually responsible for the rideability results that are a direct derivative of this differing condition.

Karvo looks forward to our meeting to discuss an extra-judicial resolution to this Dispute. We appreciate your time and attention.

CERTIFICATION

I, Yianni Karvounides, President of Karvo Companies, Inc. certify that this claim is made in good faith, that all supporting data is accurate and complete to the best of my knowledge and belief, and that the claim amount accurately reflects the amount for which Karvo Companies, Inc. believes ODOT is liable.

Karvo Companies, Inc.

By: Yianni Karvounides, President

Date of Execution: November 3, 2025

Enclosure

cc: Mr. Jonathan Dudt
Mr. Brian Dell
Mr. Michael Simpkins
Mr. Gery Noirot
Mr. Chad Root