

1974 WL 27486 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

October 15, 1974

\*1 Mr. Marris B. Caldwell  
Director of Finance and Personnel  
S. C. Department of Parks, Recreation and Tourism  
Box 113  
Edgar A. Brown Building  
Columbia, SC 29201

Dear Mr. Caldwell:

With reference to your letter of October 14, 1974, concerning escalate clauses contained in bids submitted by various insurance companies, it is the opinion of this Office that any bid containing an escalate clause is an unacceptable bid. An escalate clause varies the terms of the contract in that the price paid for insurance is not necessarily a fixed one, however, as you are aware, PRT has only a fixed sum with which to purchase insurance. Therefore, under an escalate clause the possibility exists that PRT could bind itself to a contract and not have the money to fulfill the obligation. For this reason, bids containing escalate clauses are not valid and therefore may not be considered.

Yours very truly,

M. Elizabeth Crum  
Assistant Attorney General

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