

Attachment A - E-mail Regarding Surety Bond

Fw: UNKS Construction - Surety Bond

Cori Marsalek to: Pamela Mitchell, Patrick Foran
Cc: John Waddell, Jeff Werst, Rosalyn Piza

05/22/2012 10:58 AM

From: Cori Marsalek/PubWorks/COSLO
To: Pamela Mitchell/Personnel/COSLO@Wings, Patrick Foran/Counsel/COSLO@Wings
Cc: John Waddell/PubWorks/COSLO@Wings, Jeff Werst/PubWorks/COSLO@Wings, Rosalyn Piza/PubWorks/COSLO@Wings

Good Morning Pamela and Pat,

Below please see an e-mail correspondence regarding the Bid Bond submitted by UNKS Construction, Inc. for the Los Osos Wastewater Project, Collection System Areas A & D, Contract No. 300448.08.01.AD.

I am currently drafting a bid evaluation memo and could use some input on whether the Bid Bond is acceptable.

Thanks,

Cori Marsalek, P.E.
County of San Luis Obispo
Public Works
(805) 781-4995

----- Forwarded by Cori Marsalek/PubWorks/COSLO on 05/22/2012 10:53 AM -----

From: Melissa San Martin <melissa@gumatainc.com>
To: cmarsalek@co.slo.ca.us
Cc: spasserine@andreini.com, mike@unksconstruction.com, kearle@andreini.com, ric@riccline.com
Date: 05/22/2012 10:48 AM
Subject: UNKS Construction - Surety Bond

To Whom It May Concern,

In regards the terms and conditions of the bid proposal with the project that UNKS Construction was low bidder on. Because they are Federal Funds in the project we see that the owner has the ability of what we call Quazi Governmental, this means the owner can accept either an admitted surety from California or a Treasury Listed Surety not licensed in California. Let me mention a third acceptable bond, being a *NON LICENSED – NON ADMITTED BUT AUTHORIZED* Surety Company under the 2011 Law of President Obama, this is a Federal Law for federally aided projects on a State level which this project is, calling for one State compliance called Excess Surplus. According to the new Federal Excess Surplus guidelines the surety company does not need to be licensed in the state where the contractor resides or the State where the project is to be performed. The Surety is only required to be licensed in its home State where the bond is being issued from.

OIC Marianas Insurance Corporation (OICM) has been very active recently in assisting those contractors that have been rejected for Surety support from local admitted Surety companies all across the country. OICM is not the best fix for these rejections, but for most contractors OICM is the only fix.

As always a description for any Surety is “for the sole protection of the owner” even though

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UNKS Construction hired us, the County of San Luis Obispo is our client that we are to protect. In doing so the criteria to the bond includes: OICM as Surety, a United States licensed company listed with the National Association of Insurance Commissions and current Certificate of Authority. The Payment & Performance Bond, as was the Bid Bond was and will be signed by a current California Licensed Insurance Agent. Strict Funds Control on the project by a Third Party Funds Administrator is required in order to guarantee all subs and suppliers are paid in a timely manner from draw to draw. Over Site Job Monitoring and Bi-weekly Status Reports will be issued to ensure any red flags are detected at early stage of the project, along with physical site visits if necessary.

Because the County of San Luis Obispo is our client, your decision in this matter will be final, we will either work hard to protect the County in the event we can work this situation out and get UNKS Construction the job with an Award Letter or Notice to Proceed, or we will gracefully accept the rejection of the Surety Support Program we have put in place, and the County can then go to the second place bidder or put the project out for re-bid which ever is in they best interest. If I can be of assistance please don't hesitate to call me.

Sincerely,

--

Melissa San Martin
New Clients Manager

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