



Service Disabled Veteran Owned Small Business

Unks Construction, Inc.
874 Guadalupe Street
Guadalupe, CA 93434
www.unksconstruction.com
Toll Free 1-866-709-3471 • (805) 356-3765 • Fax (805) 343-6151

June 1, 2012

Jeff B. Wertz, Design Engineer
County Public Works Department
County Government Center
San Luis Obispo, CA 93408

Re: May 31, 2012 letter of intent to reject Unks Construction, Inc. bid for Los Osos Wastewater Project, Collection System Areas A & D, Contract No. 300448.08.01.AD

Dear Mr. Wertz:

The following is our response to your letter recommending that the County of San Luis Obispo Board of Supervisors find Unks Bid proposal non-responsive.

In your letter you note three irregularities in Unks bid, as follows:

1. Bid Form, Section 00410. Unks did not submit a bid price for Item No. 24.

Bid Item 24 was left blank inadvertently and not included in the total bid amount of \$24,008,836.42. It is Unks intention to bore the area covered by Item 24 so as not to disturb the commercial businesses by open cut trenching. In any event, the \$113,000 for Item 24 will not effect Unks performance.

2. GFE Documentation Summary Form, Section 00490. Unks did not complete Sections 1, 6, or 7.

- A. No MBE or DBE quotas were mandated by Owner for Unks to meet; therefore, Unks will be performing most of the work in-house, keeping costs down by not including additional markup for subcontractors. For this reason, Unks did not look to meet any quotas. It should be noted that Unks is a DBE.
- B. GFE Form Section 1 was left blank because local DBE participation contacted Unks by email and telephone and there was no need for Unks to advertise. Unks had plenty of participation from MBEs, DBEs & WBEs. As required, Unks listed the selected DBEs, MBEs & WBEs in Sections 00480 and 00485.

3. Bid Bond, Section 00430. OIC is not an insurer authorized to do business in California.

Your letter states that OICM Insurance is not authorized to do business as an insurer in California. This is incorrect. There appears to be a conflict between the project specs and 2011 Federal law regarding the Bid, Payment and Performance Bonds. Federal law provides, in part, that federally aided projects on a State level fall under 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 being performed. The Surety only needs to be licensed in its home State where the bond is being issued. Unks Bid Bond was issued by a California licensed Insurance Agent. Because Federal Funds are financing the Los Osos Wastewater Project, the owner can accept OIC Marianas Insurance Corporation under this 2011 Law.

June 1, 2012

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It should be noted that CalTrans and other State agencies and public municipalities in California have ongoing contracts bonded by OICM. I am attaching the following documents that were provided to County Staff regarding OICM authority to issue surety bonds in California:

1. Letter dated May 26, 2012 re bonds issued by OICM
2. Business License dated 8/22/2011
3. Certificate of Authority dated January 23, 2012
4. Insurance License dated January 23, 2012

With regard to bid preparation and ability to perform the contract, I am the RMO and Corporate Secretary of Unks. I have been working in underground construction since 1958. I have been a California licensed contractor since 1963, License No. 216273. I qualified for the General Engineering classification A in 1965 and the General Building classification B in 1969, License No. 258020.

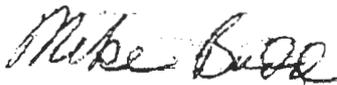
As a licensed contractor, I have completed many projects with site conditions similar to Los Osos for San Luis Obispo City & County, Los Angeles City and County, Orange County, San Diego County, Fresno County, Sacramento County and other public agencies such as Cities of Coronado, Yorba Linda, Fountain Valley, Irvine, Costa Mesa, Huntington Beach, Seal Beach and Long Beach.

Unks is a Service Disabled Veteran Owned Business Enterprise established, certified and licensed by the State of California in 2007. Its corporate offices are located on the Central Coast. On our website, www.unksconstruction.com you can find a partial list of our experience for the past five years working for the Department of Veterans Affairs as a GC on various contracts throughout California, Arizona, Nevada and Puerto Rico.

Walter Unks, Vice President of Unks Construction, along with his wife and children and parents, are long time residents of Los Osos, Areas A&D. Unks has intentionally kept its construction overhead and potential profit at a minimum, believing it would be a disservice to add any unnecessary cost for the Los Osos community to bear. It is our intention to hire local workers and subcontractors, as well as biologist and archeologist. The payroll and burden represents 40% of Unks bid proposal, approximately \$9.8 million. This money will be going back into the local economy.

All are aware that if Unks bid is rejected, the next bid is \$2.3 million higher. We realize that the Owner has the authority to deviate from the norm and/or waive irregularities. In the event that the SLO County Board of Supervisors elects to follow the recommendations of County Staff and not award the Contract to Unks as the lowest bidder, we intend to respect that decision with confidence that the County determines it to be in the public's best interest. Should the Contract be awarded to Unks, we are ready to mobilize and will do so upon receiving the Notice to Proceed.

Sincerely,



Corporate Secretary and RMO
Unks Construction, Inc.

attachments (4 pages)

cc: San Luis Obispo County Board of Supervisors
Mike Inglis, Attorney at Law
Steve N. Passerine, Director of Surety, Andraini & Company
Melissa San Martin, OICM Insurance



**NAVAJO NATION DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL**

Harrison Tsoie
Attorney General

Dana L. Bohroff
Deputy Attorney General

May 25, 2012

Shiloh K. Hoggard, Esq.
Law Office of Shiloh K. Hoggard
856 Cove Parkway, Suite C
Cottonwood, Arizona 86326

**RE: U.S.D.O.J. Decision re: Bonds Issued by a Northern Mariana Islands Licensed
Surety Company**

Dear Mr. Hoggard:

The U.S. Department of Justice ("U.S.D.O.J.") has informed the Navajo Nation Department of Justice ("NNDJ") that it is acceptable for the Nation's Department of Corrections ("DOC") to propose entering into a contract with a company whose bonds will be issued by a Northern Mariana Islands-licensed surety company. U.S.D.O.J. confirmed our understanding that separate performance and payment bonds are required for each of the three proposed contracts¹.

DOC can continue with the Nation's SAS review and approval process for the three proposed renovation contracts as soon as DOC receives copies of performance and payment bonds for each of the three proposed contracts. As your client should know, the proposed amount for each contract is as follows: Crownpoint \$124,512, Shiprock \$146,794, and Window Rock \$137,275. Also, for your information, DOC has been granted an extension for each of the three U.S.D.O.J. grants funding the projects to December 31, 2012. Therefore, the period of the contracts will be modified. We request prompt delivery of copies of performance and payment bonds for all three projects. When DOC receives these, it will begin processing the contracts.

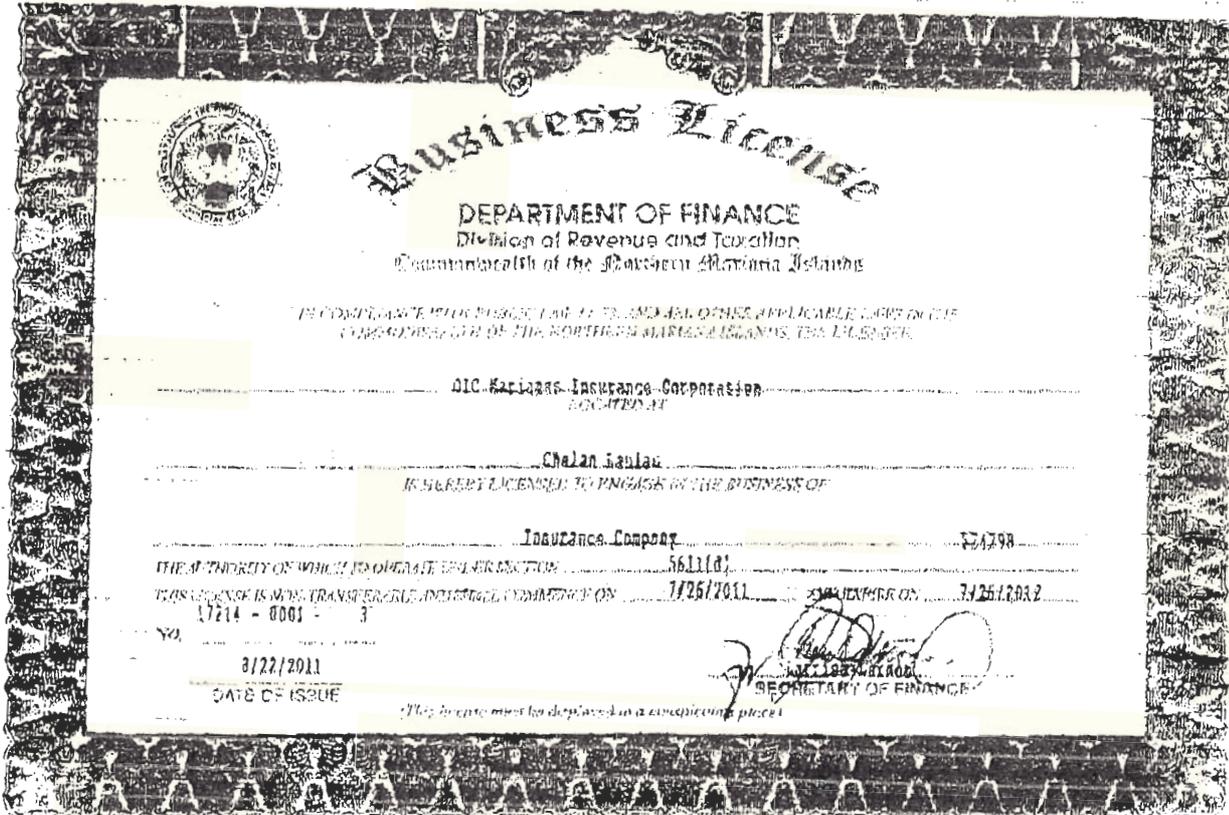
Sincerely,

Regina Holyan
Regina Holyan, Esq.

cc: Delores Greeyes, Director
Department of Corrections
Navajo Division of Public Safety
Window Rock, AZ 86515

RH/gm:295

¹ We note this because your email to NNDJ on May 1, 2012 stated that you were forwarding to us copies of performance and payments bonds—but the bonds were only for the Crownpoint project.





COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF COMMERCE
Office of the Insurance Commissioner

CERTIFICATE OF AUTHORITY

Know All Men By These Presents That:

NO. CQA(D)-010-12-R

Name: OIC Marianas Insurance Corporation

Address: PMB 229 Box 10000, Saipan, MP 96950

Classes of Insurance Authorized: * Disability, General Casualty, Marine, Property, Surety & Vehicle *

having complied with applicable provisions of the Commonwealth Insurance Act of 1983 (4 CMC, Div. 7),
is hereby authorized to transact, as an insurer, the above named classes of insurance in the CNMI from
the 26th day of January 2012 to the 25th day of January, 2013 unless
authority is revoked for failure to comply with the law.

General Agents: N/A

January 23, 2012
DATE OF ISSUE

SIXTO K. IGLESOMAR
ACTING INSURANCE COMMISSIONER

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
DEPARTMENT OF COMMERCE
Office of the Insurance Commissioner
INSURANCE LICENSE

Know All Men By These Presents That: No. SLB-011-12-N

Name: OIC Marianas Insurance Corporation

Address: PMB 229 PPP, Box 10000, Saipan, MP 96950

Classes of Insurance Authorized: *Casualty, Marine, Property & Surety*

having complied with applicable provisions of the Commonwealth Insurance Act of 1983 (4 CMC, Div. 7), is hereby authorized to transact as Surplus Lines Broker in the above named classes of Insurance in the CNMI from the 26th day of January 2012 to the 25th day of January, 2013 unless authority is revoked for failure to comply with the law.

Designated Representatives: Andrew S. Silas, Christie Madrea & Tamara Hunter

Appointed by: N/A

January 23, 2012
DATE OF ISSUE


SIXTO R. GIBSON
ACTING INSURANCE COMMISSIONER