

September 3, 2014

(INSERT NAME OF PERSON/ENTITY AWARDING PROJECT)

Project: Thompson Reservoir Penstocks; Carlton, MN

RE: Bidding Contractor Abhe & Svoboda Inc.

Dear (NAME),

It is our understanding that Abhe & Svoboda is a current bidder on the project listed above. The purpose of this letter is to inform you why we believe the contractor is a Non-Responsible Bidder.

On July 9, 2009 the California Division of Industrial Relations Division of Apprenticeship Standards issued a warning as a formal notification of obligation under Labor Code 1777.5 and 1777.7. *See Exhibit 1.* Despite this warning, subsequently on October 28, 2011 the same California Department of Industrial Relations Division issued another complaint against Abhe & Svoboda for failure to comply with Labor Code 1777.5 and 1777.7, which resulted in a settlement being reached. *See Exhibit 1.*

In addition since September 3, 2009 Abhe & Svoboda has repeatedly violated the Occupational Safety & Health Act (OSHA) and regulations promulgated under the act. We have attached search results for your records from OSHA Website. Please note that every year from 2009-2014, this company has continued to have these violations. *See Exhibit 2a and 2b.*

These violations are in addition to a reported Federal Court decision affirming a \$1.3 million penalty against Abhe & Svoboda for failing to pay its painting employees the wages to which they were entitled under the Davis-Bacon Act. *See Exhibit 3.*

Furthermore, in August 2013, Abhe & Svoboda was penalized for a total of \$1,929,000 by the Mackinac Bridge Authority from the State of Michigan. *See Exhibit 4.*

For these reasons Abhe & Svoboda Inc. should be considered a Non-Responsible Bidder. If you have any questions, please feel free to contact me.

Sincerely,

Craig Olson
President of Duluth Building Trades
Business Representative Int'l Union of Painters & Allied Trades Local 106

Enc: *Letters from California Department of Industrial Relations Division of Apprenticeship Standards (Exhibit 1 & 2)*
OSHA Records (Exhibit 3)
Federal Court Order (Exhibit 4)
Mackinac Bridge Authority Liquidated Damages (Exhibit 5)