

**PAINTERS & ALLIED TRADES
COMPLIANCE ADMINISTRATIVE TRUST**
1155 Corporate Center Dr., Monterey Park, CA 91754
Phone: (626) 792-3019 * Fax: (626) 798-0528

January 30, 2015

Ms. Adriana Garcia
City of Burbank, Purchasing
301 East Olive Ave
Burbank, CA 91502

Via Certified Mail: 7010 2780 0001 9989 4571

Re: Project name: Steel Tanks / Exterior Coatings Project
Bidder: Abhe & Svoboda

Dear Ms Adriana Garcia:

Painters and Allied Trades Compliance is a joint labor-management committee that works diligently to insure fairness and compliance by all contractors in the bidding and performance of Public Works projects.

It is our understanding that Abhe & Svoboda ("the Contractor") is a 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 Division of Industrial Relations Division of Apprenticeship Standards found that the Contractor failed to comply with Labor Code §1777.5 and §1777.7. While no penalty was assessed, the Contractor was warned that "after receipt of this notice, any failure to comply with applicable apprenticeship regulations will be considered a knowing and possible intentional violation." See Exhibit 1. Despite this warning, subsequently, on October 28, 2011 the Contractor paid a \$3,500 fine to settle charges that it violated Labor Code §1777.5. See Exhibit 2.

On August 22, 2014 the Department of Industrial Relations Division of Labor Standards Enforcement found that the Contractor failed to comply with Labor Code §1777.7. The Contractor was assessed a Civil Penalty of \$90,900. See Exhibit 3.

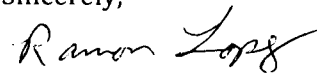
In addition, since July 16, 2008, the Contractor has repeatedly violated the Occupational Health and Safety Act (OSHA) and regulations promulgated under that act. We have attached search results for your records from the OSHA website. Please note that every year from 2008 through the present year, this company has continued to have these violations. See Exhibit 4.

These violations are in addition a reported federal court decision affirming a \$1.3 million penalty against the Contractor for failing to pay its painting employees the wages to which they were entitled under the Davis-Bacon Act. See Exhibit 5.

Furthermore, on August 1, 2013, the Contractor was penalized for a total of \$1,929,000 by the Mackinac Bridge Authority from the State of Michigan. See Exhibit 6.

For these reasons, the Contractor should be considered a Non-Responsible bidder. If you have any questions, please feel free to contact me.

Sincerely,



Ramon Lopez
Case Investigator
ramon.lopez@patcat.org

Enclosure:

- *Letters from Department of Industrial Relations, Division of Apprenticeship Standards; Division of Labor Standards Enforcement, (Exhibit 1, 2, & 3)*
- *OSHA Records (Exhibit 4)*
- *Federal Court Order (Exhibit 5)*
- *Mackinac Bridge Authority Liquidated Damages (Exhibit 6)*