



**National Association of Surety Bond Producers**

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**BY FAX & U.S. Mail**

November 16, 2012

General Services Administration  
Regulatory Secretariat (MVCB)  
1275 First Street NE  
Washington, DC 20417  
ATTN: Ms. Hada Flowers/IC 9000-0045

**RE: Information Collection 9000-0045, Bid Guarantees, Performance, and Payment Bonds, and Alternative Payment Protections.**

Dear Ms. Flowers:

On behalf of the National Association of Surety Bond Producers (NASBP), a national trade association of firms employing professional surety bond producers, I am writing in response to the notice of information collection 9000-0045. Our membership of surety bond producers utilizes these Standard Forms regularly to assist contractors furnishing bid, performance and payment bond security on federal construction contracts. These documents are vitally important to the furnishing of these bonds on federal contracts, and we wish to make you aware of issues arising from use of the current SF documents and to request their revision accordingly. In each of these SF documents, there is a section to indicate the "TYPE OF ORGANIZATION" of the bond principal. The only choices provided for type of organization are "individual," "partnership," "joint venture," and "corporation." It is worth noting that an alternative choice of "other" is not provided.

Under federal regulations and statutes, bonds frequently are required of construction companies performing federal construction contracts. Such companies are required to submit to federal contracting agencies bonds written on the above referenced standard forms. These companies are the bond principals and are required to identify their "type of organization." Increasingly, construction companies are forming as limited liability companies (LLC), a hybrid type of organization, reflecting characteristics of a corporation and of a partnership. LLC is not given as a type of organization on the SF bond forms, causing confusion by bond principals and by their bond producers on what is the proper information to select on the standard bond form. Further, we have received reports from bond producers that identifying a LLC as a corporation on the standard form has caused rejection and reissue of bonds from the legal departments of federal contracting agencies, engendering needless delays.

We request that you review the above referenced standard forms to ascertain whether the section calling for the identification of the type of organization of the bond principal should be increased to include "limited liability company" or, in the alternative, to include a selection of "other."

We also request that instructions governing the blank space "LIABILITY LIMIT (\$)" be enhanced to make clear the intent of the information requested, as it is our understanding that some confusion exists

as to whether the blank refers to the underwriting limitation of the surety as found on the Treasury list of approved sureties or if it is intended to indicate a limitation on the surety's liability on the bond – see, e.g., the statement “If no limit of liability is indicated, the limit of liability is the full amount of the penal sum.” (SF 25).

We appreciate your consideration of our comments and your prompt attention to our requests.

Yours sincerely,



Mark H. McCallum  
Chief Executive Officer

