



National Association of Surety Bond Producers

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BY ELECTRONIC TRANSMISSION (forms@gsa.gov)

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Forms Policy and Management Team
Office of Governmentwide Policy
U.S. General Services Administration

RE: Request for revisions to Standard Forms (SF) 24, 25, 25A, 34, 35

Dear Sir/Madam:

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 you to make you aware of problems arising from use of the above referenced Standard Forms and to request their revision. Each of these forms contains 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, I 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.

For these reasons, 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 appreciate your consideration of our concerns and your prompt attention to our request.

Yours sincerely,

Mark H. McCallum
Chief Executive Officer