

1 **TEKER | TORRES | TEKER**
2 SUITE 2A, 130 ASPINALL AVENUE
3 HAGÁTÑA, GUAM 96910
4 TELEPHONE: (671) 477-9891-4
5 FACSIMILE: (671) 472-2601

OFFICE OF PUBLIC ACCOUNTABILITY
PROCUREMENT APPEALS

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FILE NO. OPA-PA 007

Attorneys for Appellant

6 OFFICE OF PUBLIC ACCOUNTABILITY
7 PROCUREMENT APPEALS

9 IN THE APPEAL OF)
10) DOCKET NO. OPA-PA 11-009
11 HUBTEC INTERNATIONAL CORP.,)
12) APPELLANT'S RESPONSE
13) TO OPA'S QUESTIONS
14 Appellant.)

14 At the hearing held on August 25, 2011, the Office of the Public Auditor requested
15 information on the Project. Specifically, (1) the status of the project now; (2) who made the decision
16 to award the present contract to IMCO and how was that done; and, (3) is there a bond on the IMCO
17 job.

18 **I. STATUS OF PROJECT NOW**

19 On February 22, 2011, the Department of Public Works terminated Hubtec on the Route 2
20 Culverts and Slide Repair, Agat and Umatac, Guam Project No. GU-NH-0002(104). Shortly after
21 terminating Hubtec, DPW referred the matter to Hubtec's bond holder, Chung Kuo Insurance
22 Company, Ltd. ("Chung Kuo"). Hubtec was in a contractual relationship with Chung Kuo and the
23 two had a mutual obligation to cooperate with each other in resolving the problems and completing

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1 the Project. However, shortly after Hubtec and Chung Kuo got together to discuss resolution of the
2 problems and completion of the Project, it became clear to Chung Kuo that DPW had no desire to
3 see Hubtec back on the job. Although that decision of the contractor was the bond holder's, Chung
4 Kuo made it clear made that it would not employ Hubtec but would seek to finish the Project itself.
5 Thereafter, Chung Kuo realized that it would be impossible to complete the job for the amount bid
6 and decided, instead, to tender the bond to DPW.

7 Much of what happened thereafter is not within the personal knowledge of Hubtec. With that
8 caveat, it is Hubtec's understanding that the project is now being handled by IMCO who is
9 completing the Project pursuant to a contract with DPW in the amount of Three Million Eight
10 Hundred Fifteen Thousand Four Hundred Ninety One Dollars (\$3,815,491.00). IMCO was one of
11 the initial bidders on this contract and they bid Five Million Five Hundred Ninety One Thousand
12 Thirteen Dollars (\$5,591,013.00). IMCO has the benefit of the work accomplished by Hubtec and
13 that would account in part for the lower contract amount to complete the project as well as changes
14 made to decision.

15 **II. WHO MADE THE DECISION TO AWARD IMCO AND HOW?**

16 It is Hubtec's understanding that the decision to award the contract is the decision of the
17 bond holder who simply solicited quotes to finish the job and chose someone to finish the job.
18 IMCO, who submitted the lowest quote to finish the job. According to the contract between IMCO
19 and Government of Guam, Department of Public Works, the agreement was reached and executed
20 on or about May 13th, 2011.

21 **III. IS THERE A BOND ON THE IMCO JOB**

22 Hubtec is without knowledge as to whether or not there is a bond on the IMCO contract.
23

1 If the OPA desires any further information or clarification from Hubtec regarding its post-
2 termination involvement, or any documents or correspondence, Hubtec remains ready and willing
3 to provide the office with any such additional information.

4 Respectfully submitted this 1st day of September 2011 at Hagatna, Guam.

5 **TEKER | TORRES | TEKER**

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7 BY 

8 **PHILLIP TORRES, ESQ.**
9 **ATTORNEYS FOR APPELLANT**

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