

## MCDP Spotlight: Francis Lee Contracting

When Brian Smith and his partners, Terry Smith and Geary Powell, started Francis Lee Contracting in 2009, they had no idea as to when or how they might qualify for bonding to grow their emerging company. With revenues of less than \$250,000, they knew they needed help, and in June of 2010 they enrolled in the Washington, DC-based CBE (Certified Business Enterprise) Bonding and Access to Capital Program, a joint effort of SFAA and the District of Columbia Department of Small and Local Business Development. The program, based on SFAA's highly successful Model Contractor Development Program (MCDP), was in its second year of operation, and Brian Smith was one of 20 contractors in the 2010 class looking to get their business prepared for bonding.

At the time, they had minimal working capital and only internally prepared financial statements but were willing to talk and listen to the advice suggested by the program's volunteer surety bond producer, Josh Etemadi of **Construction Bonds, Inc.** Within a short period of time, Josh was able to establish a small bond with **ACE Surety (Westchester Fire)** to help them secure some work to meet their day-to-day overhead and revenue needs,



*Brian Smith, Geary Powell, Terry Smith*

but they were looking for much more. They were hoping to capitalize on a major job opportunity as part of the Balfour Beatty team converting the former St. Elizabeth's Hospital into the new Department of Homeland Security headquarters, but their portion of the job was for \$900,000 and, given their relatively short bonded history, everyone knew it would be a challenge to get bonding at that level. They got their financial house in order through new accounting procedures and hired the right personnel to handle the size of job in question. As a result, they received the

*(See MCDP SPOTLIGHT, p. 4)*

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*(MCDP SPOTLIGHT, from p. 1)*

\$900,000 bond from ACE through standard surety underwriting, and that single job has turned into over \$3.5 million in additional bonded work for them at St. Elizabeth's.

Brian recently took the time to thank Construction Bonds and SFAA for their help:

*"It truly takes a team effort to grow a company at the rate we are experiencing, which is why we are so appreciative of the efforts of our friends at Construction Bonds, Inc. and The Surety & Fidelity Association of America. Through their Access to Capital and Bonding Program, they have equipped us with the means to transform our financial systems from a mere dollar counter to a powerful*

*strategic tool. With the knowledge we gained through the program, we were able to not only increase our bonding capacity to nearly \$4 million in less than two years, but along the way, we have also created a solid foundation on which to build going forward. We are now in a position to pursue a wide range of projects and have generated a pipeline of work for the next two years. We could not be where we are today without the efforts of the SFAA, and for that we are extremely thankful."*

We all wish Brian, Terry, and Geary the best of luck, and we have every reason to believe that they will be successful in their future endeavors.