visiting www.sio.org/LSAdirectory.htm. To learn more about Small Business Development Centers, visit the Small Business Administration (SBA) Web site at www.sba.gov/ sbdc/index.html. The Minority Business Development Agency (MBDA) is the only federal entity created specifically to foster the creation, growth, and expansion of minority-owned businesses in the United States. Through an agreement with The Surety & Fidelity Association of America, the MBDA provides resources to minority-owned firms to enhance their access to bonding and educate them on how to become bondable or increase their bonding capacity. To learn more about the MBDA, visit www.mbdab.gov. 

**Bonding Support Programs**

Many federal, state, and local governments have developed or are developing bonding support programs for new and emerging contractors. Surety companies, SFAA, and local surety associations around the country have created several programs that provide technical assistance, surety bonding, and working capital loan assistance services to new and emerging contractors. For more information on possible bonding support programs in your area, visit the Development & Diversity section on the SFAA Web site at www.surety.org or contact SFAA at (202) 463-0600.

**Bond Guarantee Programs**

**SBA Surety Bond Guarantee Program**

For more than 30 years, the U.S. Small Business Administration’s (SBA) Surety Bond Guarantee (SBG) program has helped small and emerging contractors who have the knowledge and skills necessary for success, but lack the combination of experience and financial strength to obtain bonds through regular commercial channels. SBA guarantees bid, performance, and payment bonds issued by surety companies to small and emerging contractors and reimburses the surety a percentage of loss if the contractor defaults. This government guarantee allows sureties to write bonds for contractors who would not otherwise meet their minimum standards—thus providing small and emerging contractors with contracting opportunities for which they would not otherwise qualify. The SBA Office of Surety Guarantees (OSG) administers the SBG program as a partnership between the federal government and the surety industry. For more information on SBA programs, visit SBA’s Web site at www.sba.gov/OSG or call (202) 205-6540.

**State Programs**

Some states, including Louisiana, Mississippi, Ohio, and Tennessee, have established surety bond guarantee programs modeled after the SBA program. To learn whether surety bond guarantee programs are offered in your state, contact your local surety association.

**Mentor-Protégé & Training Programs**

**AGC Stempel Program**

The Stempel Plan is a mentor-protégé program implemented through Associated General Contractors of America (AGC) chapters nationally. This program is designed to develop the protégé’s business plan and implementing actions necessary to help the protégé become a successful businessperson and contractor. For more information, visit www.agc-oregon.org.

**Other Mentor-Protégé and Training Programs**

Many states have established mentor-protégé programs to improve emerging contractor participation in transportation-related projects. Programs may provide opportunities for new and emerging contractors to hone their business skills through close work with established contractors. Some programs are designed to increase minority participation in state highway construction projects or transportation-related contracts. Other programs aim to elevate the volume of projects emerging contractors are capable of bidding on and profitably performing.

To learn whether mentor-protégé programs are offered in your state, contact your state Department of Transportation.
Surety Relationships

Most surety companies issue surety bonds through surety bond producers. The first step toward establishing surety capacity is to contact a professional surety bond producer who:

- Understands the intricate process of surety bonding and the unique underwriting standards and practices of the surety companies he or she represents;
- Matches the needs of the contractor with the surety company that is best suited to service those needs;
- Guides the contractor through the bonding process and assists in managing the contractor’s surety capacity;
- Creates and nurtures a successful relationship between the contractor and the surety company;
- Provides introduction to qualified accountants, bankers, and lawyers who understand the construction business;
- Is knowledgeable about the construction industry, accounting and finance procedures, and strategic planning and management practices; and
- Offers sound business advice, management consulting, and technical expertise to help the contractor maintain growth and profitability.

A list of professional surety bond producers is available through the Web site of the National Association of Surety Bond Producers (NASBP) at www.nasbp.org.

Prequalification Process

Before a contractor can obtain a bond, he or she undergoes an extensive prequalification process called underwriting to enable the surety to capture a clear picture of the company. A surety company must be satisfied that the contractor runs a well-managed, profitable enterprise, keeps promises, deals fairly, and performs obligations in a timely manner. Underwriters use financial statements and business plans, among other factors, to help determine a contractor’s surety capacity. Other criteria include:

- Good references and reputation;
- The ability to meet current and future obligations;
- Experience that matches the contract requirements;
- The necessary equipment and personnel to do the work or the ability to obtain it; and
- The financial strength to support the desired work program.

Programs for New & Emerging Contractors

The surety industry is steadfast in its commitment to help new and emerging contractors obtain their first bond and increase their bondability. Many surety companies have developed programs especially for these contractors.

The Surety & Fidelity Association of America (SFAA)

SFAA offers many useful tools and education materials for new and emerging contractors including:

- Model Contractor Development Program®
- Contractor Development Program Educational Modules:
  - Business Planning and Management for Construction
  - Construction Accounting and Financial Management
  - Banking and Financing for Contractors
  - Bonding and Insurance for New and Emerging Contractors
  - Marketing, Estimating, and Bidding
  - Project Management and Field Operations
  - Claims and Dispute Resolution
  - Success Stories: Why Some Contractors Succeed and Others Fail

For more information, contact SFAA at (202) 463-0600 or visit www.surety.org.

National Association of Surety Bond Producers (NASBP)

To find a professional surety bond producer, go to www.nasbp.org. For more information, contact NASBP at (202) 886-3700 or info@nasbp.org.

Ongoing Programs at State and Local Levels

Small Business Development Centers (SBDCs) provide technical assistance to contractors in many locales. Similarly, local educational institutions may offer workshops and other educational opportunities to small businesses. To find out if programs are available in your area, contact your local surety association by visiting the Surety Information Office (SIO) at www.sio.org.

According to the U.S. Census Bureau, the value of construction put in place was about $787 billion in 2011. However, a contractor’s ability to secure some of that work, especially in the public sector, may be limited if he or she is unable to obtain a bid, performance, and payment bond. Fortunately, the surety industry is reaching out to new and emerging contractors to help them obtain their first bond, increase bonding capacity, and ultimately become better businesses. The ability to obtain surety bonds gives these contractors the support and resources they need to increase their contracting opportunities, compete for market share, and grow.

Surety Bonding for New & Emerging Contractors

Educate new and emerging contractors about the importance of surety bonds in construction and how to obtain surety bonds. Contractor Development Program Educational Modules offer networking, outreach, advocacy, and policy development.

The program guides new and emerging contractors on what they need to do to qualify for surety bonds and provides resources—such as educational seminars—and access to expertise, including lenders, surety professionals, and accountants, to help these contractors develop stronger businesses.

The program also provides contractors with valuable assistance in the actual bonding process. In most instances, this is done through the establishment of peer review programs that team surety professionals with the contractors to review areas of potential bonding denial and identify factors that would make the contractor bondable. The team then develops a strategy to address the denial factors, including referring the contractor to specialized project management, accounting, or finance assistance, if needed. The surety professional then helps the contractor identify bonding for subsequent projects.

For more information about the MCDP®, contact The Surety & Fidelity Association of America at (202) 463-0600 or visit the SFAA Web site at www.surety.org. The MCDP® is located in the Development and Diversity section.