



NEWS RELEASE

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SFAA & U.S. DOT Bonding Program Helps Hundreds of Small and Emerging Contractors

JULY 13, 2012, WASHINGTON, D.C. — Since the July 2010 inception of the Bonding Education Program—a joint effort of the U.S. Department of Transportation (DOT) and The Surety & Fidelity Association of America (SFAA)—hundreds of small, women, and minority contractors have completed the workshops and many have obtained bonding or are set to receive bonds totaling over \$123 million combined. The program, based on SFAA’s Model Contractor Development Program (MCDP)[®], helps small and disadvantaged businesses qualify for surety bonding so they can participate in public transportation-related contracts.

During the summer of 2010, the DOT kicked off the program in three locations. Fifty contractors completed the workshops in Chicago, Atlanta, and Dallas, and total bonding in Dallas alone is over \$37 million to date.

In 2011, over two hundred contractors completed the Bonding Education Program in 10 cities throughout the country, resulting in \$69.4 million in total bonding. Nine of the 14 programs planned for 2012 have been completed with impressive results—\$17 million in bonding to date.

One of the highlights of the Bonding Education Program has been the successful outcome for participating Denver contractors, with bond amounts totaling \$21 million in 2011 and \$14

million in 2012. The program participants are benefitting from the area's job boom. The Association of General Contractors reported that from February 2011 to February 2012 the Denver-Aurora-Bloomfield metropolitan area had the most construction job gains out of 171 metro areas in the U.S that added jobs during that time.

The Bonding Education Program features a series of educational workshops in which participants learn how surety bonding relates to all aspects of their business operations and specific approaches and techniques that result in a successful bond application. The program also employs a bond readiness component consisting of one-on-one interactions with surety bond producers, underwriters, and other professionals who help participants assemble the materials and information necessary for the bond application.

Preparing small and emerging contractors for surety bonding or increased bonding capacity is necessary for these contractors to play a significant role in government contracting. For many small companies, bonding signals an important step toward greater independence and opens the door to new opportunities for growth and expansion. Visit <http://www.surety.org/?page=MCDP> and http://www.osdbu.dot.gov/bap/bep_main.cfm to learn more about the MCDP[®] and Bonding Education Program.

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The Surety & Fidelity Association of America (SFAA) is a trade association of more than 450 insurance companies that write the vast majority of surety and fidelity bonds in the U.S., is a licensed rating or advisory organization in all states, including the District of Columbia and Puerto Rico, and is designated by state insurance departments as a statistical agent for the reporting of surety and fidelity insurance.