

# Surety Bond/Capital Access Program

## Professional Development

*"The DASNY Surety Bond/Capital Access Program has increased awareness, strengthened the program participants operations and better positioned the firms for bonding submission and long-term sustainable growth. These positive outcomes have been the result of The Cayemitte Group's concurrent delivery of classroom instruction, one-on-one advisory services and the bonding submission readiness process."*

*Michael M. Clay,  
Director, OPG*

*Alfonso L. Carney, Jr.  
Chair*

*Paul T. Williams, Jr.  
President*

## Dormitory Authority-State of New York



## Bonding Program for Emerging Contractors

### Program Goal

The goal of the Surety Bond/Capital Access Program is to assist MWBE firms secure bonding/capital access to compete for DASNY contracts and to provide bonding and capital access which will facilitate in those firms performing on DASNY and non-DASNY construction projects.

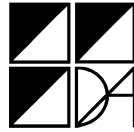
### Program Highlights

- ◆ Supported by \$3 million DASNY Bond Fund.
- ◆ 27 MWBE firms selected to participate in the program statewide.
- ◆ Assist firms acquire surety bonding and working capital to transition from subcontractors to prime contractors and increase prime contracting capacity.
- ◆ \$3 million plan dollars to leverage \$25 million in surety bonding for MWBE contractors and MWBE firm acquisition of bank issued short-term bridge loans to fund MWBE contractor up-front costs of initial projects including equipment purchases, supplies and payroll.
- ◆ DASNY Technical Assistance statewide to minimize risks to the bond fund during construction including: Cash flow project assessments, Certified Payrolls, Change Orders, Payment Requisition & Bid Proposal Preparation, Contract Management, Manpower Schedules, Safety and Submittals, Dispute Resolution, etc. DASNY management field staff oversight of project delivery, safely, on-time and within budget.



*“A key component to the growth of an emerging contractor is his/her ability to secure appropriate bonding to execute a contract. All too often, the lack of access to bonding inhibits a contractor from moving to the next level of growth and opportunity.”*

*~David R. Cayemitte  
President  
The Cayemitte Group*



## Key Elements



### Bonding/Capital Access

Establish bond fund (collateral fund) to facilitate letters of credit which will minimize risk for the sureties. Leverage the fund to provide maximum bonding for program participants and provide capital access as working capital loans for the participants. Repayment of loans through funds control (payroll service) or contract assignments, which can also help participants rebuild credit history.

### Bonding Readiness Segment (BRS) Report

The report in conjunction with a financial review allows DASNY to determine the best use of the “fund”. For the contractor, it provides a road map towards bond-ability and/or growing the company’s bond line. The surety can also use it as an additional under-writing tool as it captures information that is in addition to the surety submission.

### Macro Educational Component

The courses are delivered in 24 sessions and the curriculum includes accounting, legal, infrastructure, HR, estimating, scheduling, and other key areas as needed.

### Micro Educational Component

Monthly 1:1 90-minute meetings to reinforce action plans and executable steps developed via the BRS.

### Contract Enforcement and Terms and Conditions

Critical for both prime and subcontract participation. Contract terms include penalties for non-compliance and flexible payment terms (bi-weekly payment) for subcontractors are the foundation of DASNY’s MWBE program.

### Technical Assistance (TA)

Imperative that projects are completed by participants safely, on-time and within budget making technical assistance in the field a necessity to ensure that the risk is minimized to program partners.

*“Throughout the various workshops and webinars offered by the (DASNY Bond) program, I’ve experienced a number of paradigm shifts about how I manage my business...We are a stronger and more marketable company than we were a year ago. Thank you for the investment of your time and resources.”*

*-Yolanda Mitchell, CEO, FYM Logic  
Participant, DASNY Surety Bond/Capital Access Program*

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