

# Prime-DBE Cooperative (PDC) Networking & Meeting Workshop



Merriwether & Williams  
INSURANCE SERVICES

*... Of Like Minds*

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License No. 0C01378

## **FIRM INTRODUCTION**

### Merriwether & Williams – *Our Drive*

- Advocate for business opportunity on behalf of minority and small business
- Bring clients unique risk management solutions to help align traditional risk mitigation with organizational goals of inclusion and collaborate with "like minded" partners

### Policy Advocacy

- Help create policies that promote a fertile environment for community economic development, particularly local small business development
- Lead strategic efforts to expand best practice small business policy within the State of California

## **BONDING CAPACITY BARRIER**

- ❑ Lack of access to bonding for Small, Minority, Women and Disabled Veteran Owned Contractors has limited their equitable participation in public contracting.
- ❑ Not only has this stymied their growth, the impact has prevented more diverse distribution of public dollars in local communities and diminished the potential multiplicative impact.
- ❑ The fewer bonded contractors in the contracting pool results in suppressed competition, and increased contracting costs to public agencies.

## **PROGRAM CONCEPTS & GOALS**

- ❑ Assist Sponsor in its goals of Contracting Diversity including increased opportunities and inclusion of small and minority contractors
- ❑ Remove the barriers, such as bonding which have disadvantaged small and minority contractors from bidding and engagement on Sponsor projects
- ❑ Using an aligned risk management strategy, increase contractor's capacity to participate on Sponsor projects both as subcontractors and primes, while maximizing protection of Sponsor resources
- ❑ Assist Sponsor with synthesizing the Program with other initiatives aimed at increased utilization of small local contractors

## THE BOND PROBLEM

### WHY IS BONDING SUCH A PROBLEM FOR SMALL CONTRACTORS?

#### Surety Pre-Qualifications / Underwriting

- Capacity to perform
- Financial strength
- Track record and history of company
- Organizational structure
- Business continuation plans
- Trade references
- Analysis of all projects in progress
- Credit history
- Good character
- Working capital

#### Other Hurdles

- Broker representation
- Quality CPA prepared financial statements

## The Vicious Cycle

Access to  
Surety Credit

Proven Capacity

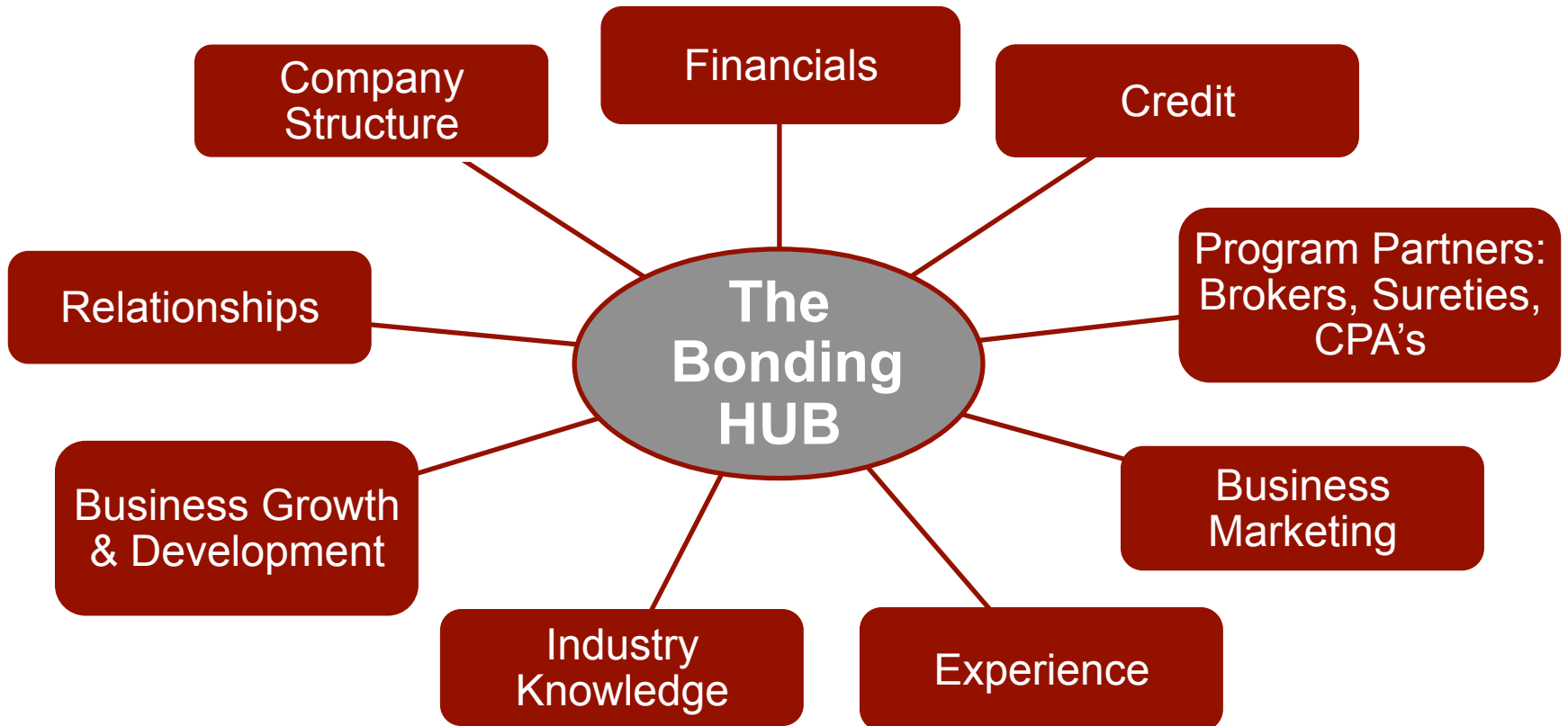
Bonds Needed to  
Access Contract  
Opportunities

Track Record  
Of  
Bonded Work

*Given the risk accepted by the Surety when issuing a bond on behalf of a contractor, their underwriting standards dictate a complete analysis of the contractor's entire business operations. They must determine the contractor's ability to meet current and future contract financial obligations.*



## PROGRAM DESIGN



## **CBAP & CCSF PROGRAM SERVICES**

- Contractor Assessment
- Workplan Development
- Technical Assistance
- Bond Guarantees (up to 750,000 or 40% of the bond amount, whichever is less)
- Contractor-focused workshops
- Accounting subsidies (CCSF Program) up to \$3,200
- Third Party Funds Administration

Prime-DBE Cooperative Networking & Meeting Workshop  
Contractor Development and Bonding Program

## **CONTACT INFORMATION**

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**DISCUSSION**



Prime-DBE Cooperative Networking & Meeting Workshop  
Contractor Development and Bonding Program

**THANK YOU**

*Thank  
you*

