

Commission on Economic Inclusion, Surety Association Bonding Prep Class Helps MBE Land \$3.1 Million Contract

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CLEVELAND, Oct 01, 2008 /PRNewswire via COMTEX/ -- The Commission on Economic Inclusion, a program of the Greater Cleveland Partnership (GCP), in collaboration with the Surety and Fidelity Association of America (SFAA), is taking a hands-on approach to helping Northeast Ohio minority-owned businesses (MBEs) increase their capacity for growth. One Highland Heights-based company, JDD, Inc., is already reaping the benefits -- to the tune of a three-year, \$3.1 million janitorial services contract with the Cuyahoga County Public Library.

Business owner James Vaughan is one of 17 minority business owners who participated in a six-week Bonding Prep course offered by the Commission and the SFAA. The course, held at Cuyahoga Community College's Corporate College East, helped minority contractors learn about improving their company's operations and what's needed to make it easier for them to be bonded or to increase bonding capacity. By participating in the course, Vaughan was able to meet and work with Kevin Keller of Drengler, Liptak & Keller, local surety bonding specialists, to prepare a bond application and receive more than \$720,000 in bonding. This led to the contract to provide janitorial services for 22 Cuyahoga County library branches.

"No matter how good of a company we are, we wouldn't have been awarded the contract without the bond," says Vaughn, whose company also has handled small construction projects for KeyBank and NASA Glenn Research Center. Vaughn founded the family-run business in 1994. There's also an office in Fort Riley, Kansas, where JDD, Inc. has a contract to service the U.S. Army base. The company currently has 120 employees, but Vaughn plans to grow the business. "We're not done yet," he says. More information about JDD, Inc., can be found on the company's Web site at www.jdd-inc.com

"We're committed to helping grow the size and scale of minority-owned businesses in Northeast Ohio," says Andrew Jackson, executive vice president of the Commission on Economic Inclusion and a senior vice president of the GCP. "An important component is helping businesses prepare for and receive the bonding necessary to successfully bid on sizable contracts."

The Bonding Prep course is based on the SFAA's Model Contractor Development Program. Topics ranged from construction accounting to estimating and project management. A bond readiness component allowed participants to work one-on-one with surety bond professionals, underwriters, and other bond producers to prepare the necessary materials to complete a bond application.

"One of the biggest problems for minority contractors in obtaining a bond is a lack of capital," says Lou Colagrossi, president of the Surety Association of Ohio, which worked with the Commission on Economic Inclusion to create and implement the Bonding Prep course. "Surety companies are predicting future outcomes based on the capital that's sustaining them. The Bonding Prep course helps contractors understand what the surety is looking for, which helps them establish a business plan that addresses these issues. It also opens doors and puts them in contact with the right people to help them succeed."

During the first four weeks of the course, local project owners University Hospitals, the Greater Cleveland Regional Transit Authority and the Northeast Ohio Regional Sewer District discussed current procurement opportunities with their organizations. To continue the development and growth of the inaugural class, each participant has been matched with an advisor from the Bonding Prep Advisory Committee and/or the Surety Association of Ohio.

The Albert M. Higley Company, a local major construction manager and general contractor, is serving as an advisor to one of the course's MBE participants, Porter Cement Finishing. "The main thing we do is serve as a sounding board for the company and give them the benefit of our experience and knowledge," says Higley Company President Charles Stephenson. "It's important for emerging contractors to understand that they have to have a passion for what they do. It's a very difficult business, so it's important that they get that message. It's also important for them to understand that you have to enter into contracts that are profitable and you have to keep the money you earn in the company to build working capital and net worth, because a bonding company will look at what's in your bank account."

A second Bonding Prep course will be offered in January 2009. More information about the Commission's work in bonding assistance is available online at www.commission-inclusion.com. The Commission on Economic Inclusion is a program of the Greater Cleveland Partnership (GCP). Its mission is "to establish Northeast Ohio as a national model for economic inclusion." The GCP mobilizes private-sector leadership, expertise and resources to create jobs and wealth and improve the economic vitality of the region.

The Surety & Fidelity Association of America is a District of Columbia nonprofit corporation consisting of companies that collectively write the majority of surety and fidelity bonds in the United States. The Surety Association of Ohio is comprised of a community of professionals whose primary function is to educate both its members and the general public about surety and the protections afforded by it, monitor legislation that could potentially impact surety, as well as provide a forum for our members to learn about pertinent information that may effect the marketplace on a statewide basis.

Available Topic Expert(s): For information on the listed expert(s), click appropriate link.

Andrew Jackson, Exec. Dir., Commission on Economic Inclusion

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