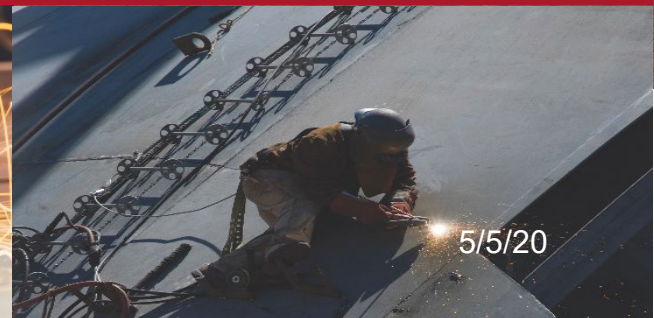


LEARNING ABOUT THE SURETY BOND GUARANTEE FROM THE U.S. SBA ACQUISITION HOUR WEBINAR

May 5, 2020



WEBINAR ETIQUETTE

PLEASE

- Log into the GoToMeeting session with the name that you registered with online
- Place your phone or computer on MUTE
- Use the CHAT option to ask your question(s).
 - We will share the questions with our guest speaker who will respond to the group

THANK YOU!

ABOUT WPI SUPPORTING THE MISSION

**Celebrating 32 Years of
serving Wisconsin Business!**



Assist businesses in creating, developing and growing their sales, revenue and jobs through Federal, state and local government contracts.

- **INDIVIDUAL CONSELING** – At our offices, at clients facility or via telephone/GoToMeeting
- **SMALL GROUP TRAINING** – Workshops and webinars
- **CONFERENCES** to include one on one or roundtable sessions

Last year WPI provided training at over 100 events and provided service to over 1,200 companies

WPI is a Procurement Technical Assistance Center (PTAC) funded in part by the Defense Logistics Agency (DLA), WEDC and other funding sources.

WPI OFFICE LOCATIONS

▪ MILWAUKEE

- *Technology Innovation Center*

▪ MADISON

- *FEED Kitchens*
- *Dane County Latino Chamber of Commerce*
- *Wisconsin Manufacturing Extension Partnership (WMEP)*
- *Madison Area Technical College (MATC)*

▪ CAMP DOUGLAS

- *Juneau County Economic Development Corporation (JCEDC)*

▪ STEVENS POINT

- *IDEA Center*

▪ APPLETON

- *Fox Valley Technical College*

▪ OSHKOSH

- *Fox Valley Technical College*
- *Greater Oshkosh Economic Development Corporation*

▪ EAU CLAIRE

- *Western Dairyland*

▪ MENOMONIE

- *Dunn County Economic Development Corporation*

▪ LADYSMITH

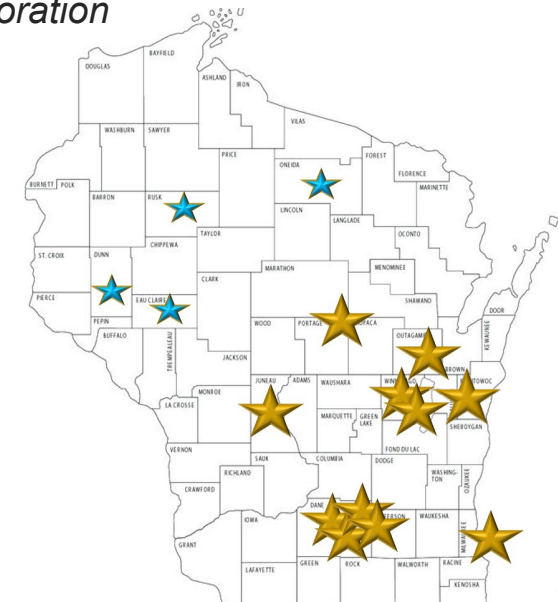
- *Indianhead Community Action Agency*

▪ RHINELANDER

- *Nicolet Area Technical College*

▪ GREEN BAY

- *Advance Business & Manufacturing Center*







U.S. Small Business
Administration

Surety Bond Guarantee Program

**“We Open Doors to Bonding”
for Small Business**

“We Open Doors to Bonding”



New to contract bonding?

GC bonding your projects?

Need higher bond limits?

Posting collateral or using funds control?

Paying more than 4%?

The Small Business Struggle

License & permit bonds differ from contract bonds

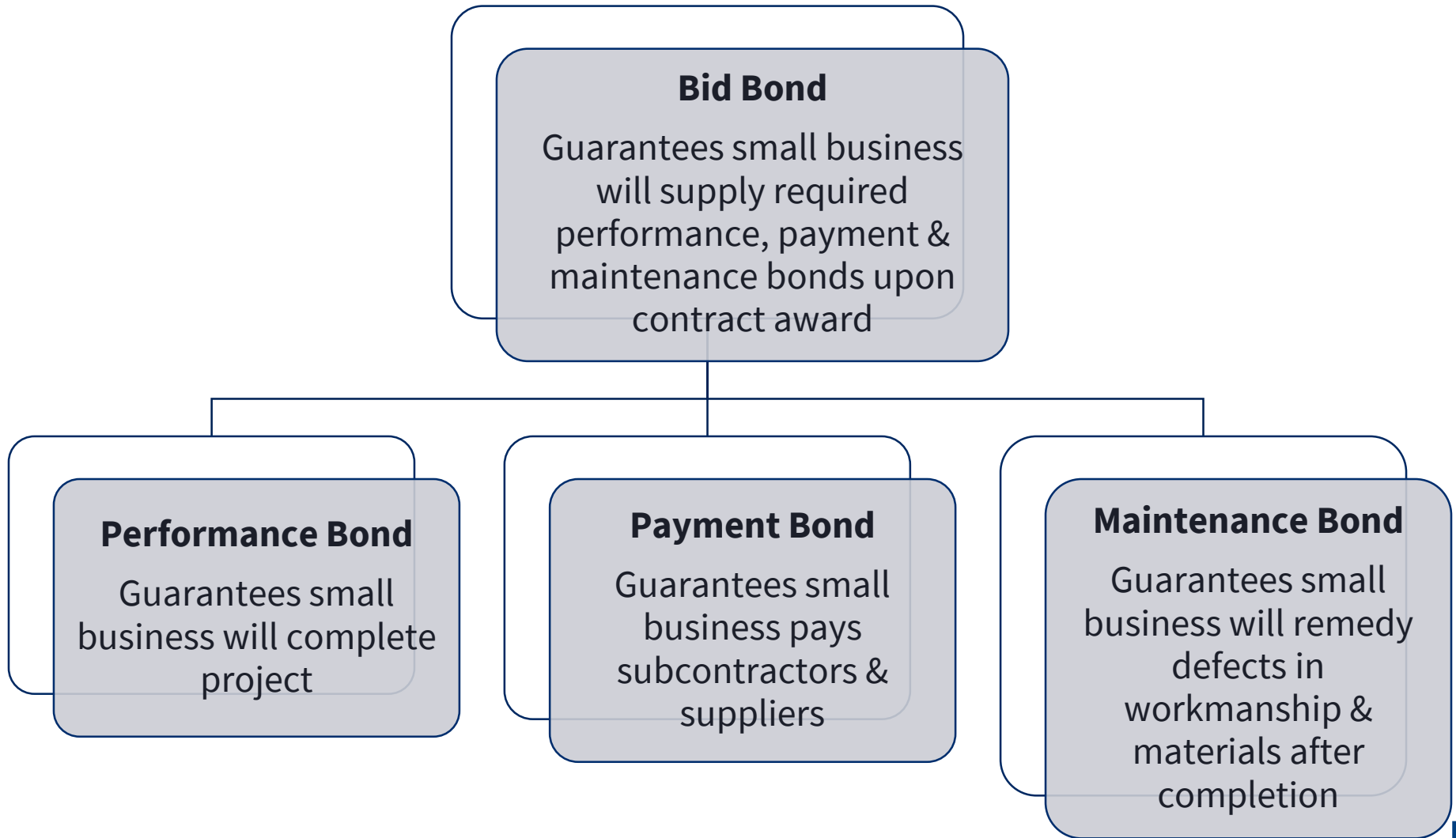
Contract surety bonds are a form of credit

THE STRUGGLE OF REAL

Capital, credit & capacity evaluated for each contract bond

Small businesses may struggle to qualify without SBA support

Contract Bonds & What They Do



When are Contract Bonds Required?

Federal Government

Construction contracts >\$150,000

Non-construction contracts vary

State, County & Local Governments

Differing limits by local laws & regulations

Private Owners

Differing policies

Check all contracts for bond requirements!

Pre-Qualification & Bonding Capacity

Pre-qualifying provides your bond limits



Obtain bonding capacity without applying for bond or during the bond application process



Know Your Bonding Capacity

**Single contract limit
(ex. \$500,000)**

**Total bonding capacity
(ex. \$6,000,000)**

Surety's Underwriting Focus

Capacity

- Experience
- Management & project controls
- Accounting

Capital (Financial Statements)

- Working capital, net worth & profitability
- CPA prepared financials for \$2 million+ jobs

Credit

- Personal credit
- Bank credit
- Supplier credit

SBA Surety Bond Guarantee Program



**SBA's
guarantee
provides your
small business
contracting
opportunities**



**Construction, service, supply &
manufacturing firms**

- New & emerging
- Limited financial resources
- Internal financial statements
- Need current bond limits increased
- Subcontractors establishing prime bonding

The SBA Advantage!

**Total bonding
capacity can
double**

**Available bank line
of credit = more
bonding capacity**

**Balance Sheet Working
Capital + Available BLOC =
Increased Working Capital**

**Internal financial
statements
accepted on larger
projects**

Working Capital = Bonding Capacity

Working capital
X 10 =
typical bonding
capacity

SBA counts
available bank
line to increase
bonding capacity!

Working capital +
available BLOC
X 20 =
potential capacity
with SBA

Eligibility



Be small by SBA size standards



**Have a contract up to \$10 million
requiring bonds**



Pass evaluation



SURETY BOND GUARANTEE PROGRAM

QuickApp

**Obtain Contract Bonds Up to \$400,000
Quickly & Easily!**



**No financial statements required by SBA
Easy qualification
Approvals in hours**

Limitations & Exclusions:
Project liquidated damages up to \$1,000/day
Maintenance terms up to 2 years
Project completion terms up to 1 year
Hazardous waste, demolition, timber sales & projects underway excluded
No previous business defaults or bond claims

“We Open Doors to Bonding” for small business!

What Do I Need to Apply?

**Business financial
statements last 3 years**

**Owners' personal financial
statement**

Bank reference letter

**SBA application forms based on
job size/type**

Counting the Cost

Allowable job cost
Know & use total bond cost/rate



SBA Contractor's Fee
.6% of contract amount



Surety's Bond Premium
1.5% - 3% of contract amount

The Application Process



Program Partners



We partner with 41 surety companies & over 350 agents!



The **Service** Insurance Company



TOKIO MARINE HCC

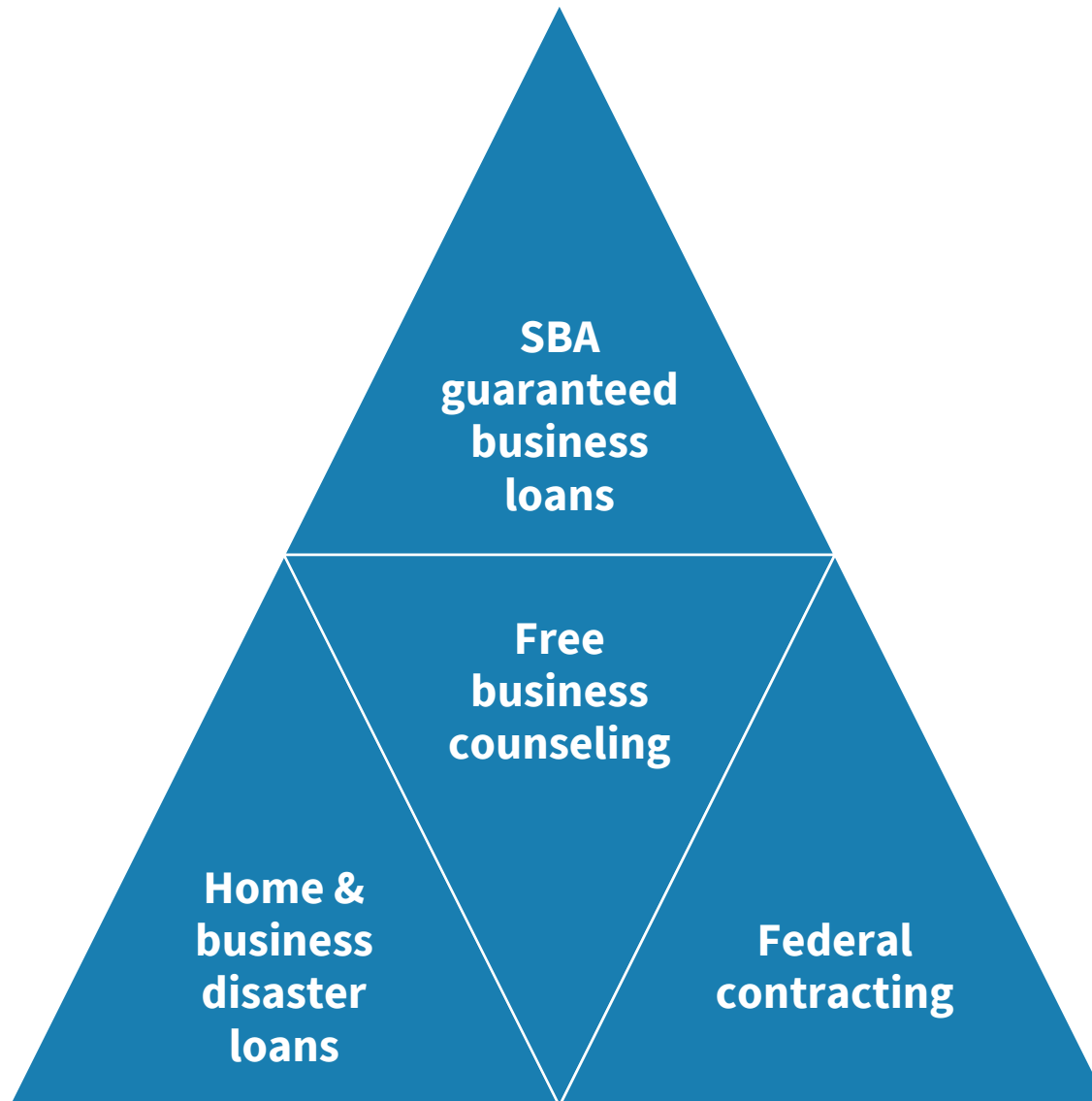


Contact an SBA Authorized Bond Agent



www.sba.gov/osg

Additional SBA Resources



Q&A

You have

Questions

We have

Answers



Tamara E. Murray, Underwriting Marketing Specialist
tamara.murray@sba.gov
(303) 927-3479

Share Your Success with Us

Let us know if you were successful in overcoming your bonding challenges!

(202) 205-6540

suretybonds@sba.gov

**Obtain 1st time
bonding**

**Increase your
bond limits**

**Eliminate
collateral or
funds control**

Lower your rate

UPCOMING TRAINING - EVENTS

14TH ANNUAL WISCONSIN GOVERNMENT BUSINESS OPPORTUNITIES CONFERENCE (GOBC)

June 24 - June 25

Details

Start:
June 24

End:
June 25

Event Categories:
Conference, WPI Events

Organizer

Hilary DeBlois

Phone:
(414) 688-3882

Email:
hilaryd@wispro.org

Save the Date for the 14th Annual Wisconsin Government Business Opportunities Conference (GOBC) in partnership with Volk Field ANG and Fort McCoy, June 24 and 25th, 2020.

Venue

Volk Field Air National Guard Base
100 Independence Drive, Building 475
Camp Douglas, WI 54618 United States + [Google Map](#)



A CRITICAL NOTICE FROM WPI

- If you are a current **FEDERAL / DOD CONTRACTOR** or **SUBCONTRACTOR** – you may have **CYBER – DATA SECURITY REQUIREMENTS** in your contract.
- If you are responding to any **CURRENT FEDERAL SOLICITATIONS** - be aware of your obligations:
 - Key clauses are 52.204-21, 252.204-7008 and 252.204-7012
 - Review for other possible requirements
- If you are a **DOD CONTRACTOR** or **SUBCONTRACTOR** – you will have new **CYBER COMPLIANCE – CERTIFICATION REQUIREMENTS** that may impact your business as early as the end of this calendar year.
 - See: <https://www.acq.osd.mil/cmmc> and <https://www.cmmcab.org> for more up to date information.
 - *Contact Marc Violante at WPI - marcv@wispro.org or 920-456-9990*

ACQUISITION HOUR LIVE WEBINARS SERIES

■ May 5, 2020

Learning About the Surety Bond Guarantee from the US SBA

[CLICK HERE](#) for additional information

Presented by the US Small Business Administration

■ May 19, 2020

Pieces of the Proposal Puzzle

[CLICK HERE](#) for additional information

Presented by Helen Henningsen, Wisconsin Procurement Institute (WPI)

■ May 6, 2020

Responding to Sources Sought Request and Capabilities Statements

[CLICK HERE](#) for additional information

Presented by Helen Henningsen, Wisconsin Procurement Institute (WPI)

■ May 20, 2020

The Procurement Integrated Enterprise Environment (PIEE) and Wide Area Workflow (WAWF)

[CLICK HERE](#) for additional information

Presented by the Benjamin Blanc, Wisconsin Procurement Institute (WPI)

■ May 15, 2020

Introduction to CMMC Level 1

[CLICK HERE](#) for additional information

Presented by Marc Violante, Wisconsin Procurement Institute (WPI)

■ May 26, 2020

BIG Changes coming to the US SBA Federal Women-Owned Small Business Program

[CLICK HERE](#) for additional information

Presented by the US Small Business Administration and WPI

ACQUISITION HOUR LIVE WEBINARS SERIES

▪ May 29, 2020

How the CyberSecurity Maturity Model Certification (CMMC) Will Impact Your Business

[CLICK HERE](#) for additional information

Presented by Marc Violante, Wisconsin Procurement Institute (WPI)

▪ June 9, 2020

Intellectual property for Government Contractors and Subcontractors and the STTR/SBIR Stakeholder

[CLICK HERE](#) for additional information

Presented by Laura Grebe, Husch Blackwell

▪ June 10, 2020

Negotiation Strategies in Federal Contracting

[CLICK HERE](#) for additional information

Presented by Helen Heningsen, Wisconsin Procurement Institute (WPI)

▪ June 12, 2020

Introduction to CMMC Level 1

[CLICK HERE](#) for additional information

Presented by Marc Violante, Wisconsin Procurement Institute (WPI)

...More at wispro.org/events

THE CONTRACTING ACADEMY (TCA) LIVE WEBINARS SERIES

▪ May 12, 2020

Selling Goods & Services to the State of Wisconsin- With a Focus on MBE, WBE & DVB

[CLICK HERE](#) for additional information

Presented by Mark Dennis, Wisconsin Procurement Institute (WPI)

▪ May 18, 2020

Selling Architecture, Engineering & Construction to the State of WI – Focus on MBE, WBE & DVB

[CLICK HERE](#) for additional information

Presented by Mark Dennis, Wisconsin Procurement Institute (WPI)

▪ May 14, 2020

Selling Goods & Services to the State of Wisconsin- With a Focus on MBE, WBE & DVB

[CLICK HERE](#) for additional information

Presented by Mark Dennis, Wisconsin Procurement Institute (WPI)

▪ May 20, 2020

Selling Architecture, Engineering & Construction to the State of WI – Focus on MBE, WBE & DVB

[CLICK HERE](#) for additional information

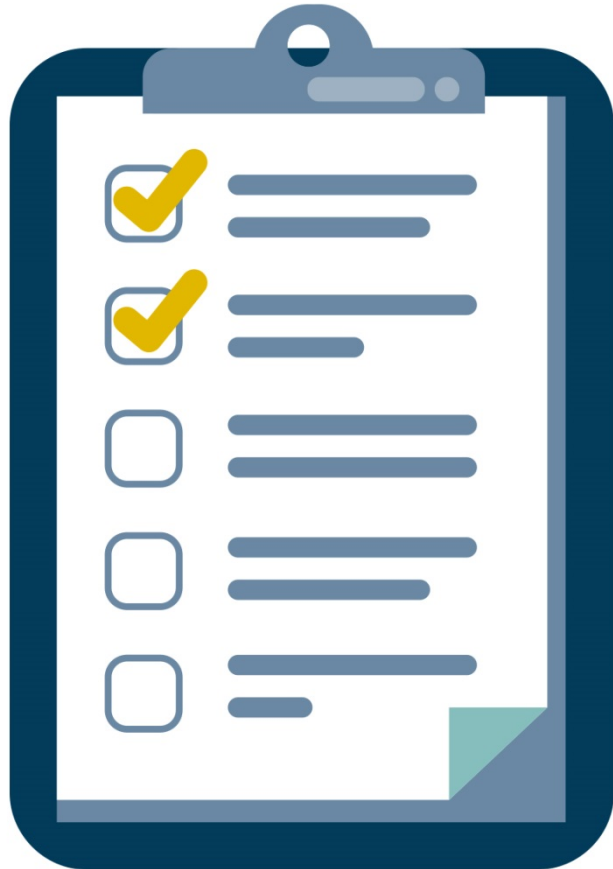
Presented by Mark Dennis, Wisconsin Procurement Institute (WPI)

...More at wispro.org/events

QUESTIONS?



SURVEY



CONTINUING PROFESSIONAL EDUCATION



CPE Certificate available, please contact:

Benjamin Blanc

benjaminb@wispro.org

PRESENTED BY

Wisconsin Procurement Institute (WPI)

www.wispro.org

**Tamara Murray, Underwriting Marketing Specialist
Small Business Administration (SBA)
Office of Surety Guarantees**

tamara.murray@sba.gov | (303) 844-2607, ext-231

10437 Innovation Drive, Suite 320
Milwaukee, WI 53226