

June 12, 2014

San Bernardino Community College District  
Citizens Bond Oversight Committee (CBOC)

Re: Bond & Technical Assistance Program

Dear CBOC Members:

Yesterday I received the following email from our bond counsel, David Casnocha, regarding the SBCCD Bond & Technical Assistance program provided by Merriwether & Williams. I am sharing this information with you along with the additional steps the District is taking to ensure that this program is properly implemented.

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From: Casnocha, David

Date: June 11, 2014 at 3:53:48 PM PDT

To: Oliver, Timothy L

Subject: RE: Bonding & Technical Assistance Program

Tim, I was glad to have had the opportunity to discuss this matter with you in our several follow-up phone calls. As I indicated on the phone, soft costs which are related to a qualified bond project - that is a project being funded with bond proceeds - can be characterized as a capital expense, and thus paid for from bond proceeds.

Some of the services you describe as being provided by Merriwether & Williams ("MS") appear to fall within that characterization. For example, if MS is offering training and guidance to a certain class of contractors who might become bidders on a contract to build a bond project, and the training is in connection with actual projects expected to be funded with the bonds, then those are the type of training/outreach costs which would be eligible for bond funding.

However, if MS is providing general community outreach about the availability of training assistance to local contractors, then that type of expense could not be paid from bond funds. There might be services provided by MS that appear to fall somewhere in between these

two extremes, and we can speak about them at a later date. Given the nature of the services you have described, I suggest you be conservative in approving payments from the bond funds unless you are able to make a clear connection between them and an actual bond project.

Best regards, David

David G. Casnocha, Esq.  
Stradling Yocca Carlson & Rauth  
44 Montgomery Street, Suite 4200  
San Francisco, California 94104

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To help ensure that only bond-eligible funds are expensed to Measure M, I have requested Ingrid Merriwether review her scope of work and segregate the services into bond and non-bond categories for my review. I have also requested that invoices for bond and non-bond services be prepared and submitted separately for review, authorization and payment by the District. This will help ensure that no non-bond expenses are paid from Measure M funds, including those for non-bond projects such as Prop 39.

Jose Torres, Director of Fiscal Services, has confirmed with the State Chancellor's Office that the District may use Fund 41 Capital Outlay for the non-bond services, so there will be no impact on the District's Fund 01 Unrestricted General funds. In addition, it has always been our intent to use District funds for any surety collateral purposes, which does not affect the bond program.

I have recommended to the Chancellor that the District establish a Fund 41 budget annually for forecasted Merriwether & Williams billings related to the non-bond portion. It is anticipated that the initial amount for Fiscal Year 2014-15 will be approximately 20%, which should be adequate for year one and can be adjusted as needed based on actual billings. The balance will be budgeted to Measure M for bond-related billings, and will be monitored by Kitchell/BRj.

Regarding the surety, Jose Torres has been in contact with Wells Fargo Bank regarding establishing a line of credit, but has come to the conclusion that it is preferable to self-fund the collateral requirements. Ingrid Merriwether will continue to guide us in this endeavor. The District's risk exposure is the same with or without bank involvement, and self-funding will save the District over \$50,000 in line of credit setup fees. As previously mentioned, this surety collateral does not involve Measure M bond funds.

Attached is additional information about the SBCCD Bond & Technical Assistance Program and a copy of the Merriwether & Williams professional services agreement.

Ingrid Merriwether plans to attend our meeting on June 25, 2014 and will be pleased to answer questions about this program.

Please let me know if you have any questions or comments.

Best regards,



Tim Oliver  
Interim Vice Chancellor, Business & Fiscal Services  
San Bernardino Community College District

Attachments:

- ♦ Merriwether & Williams Professional Services Agreement (April 2014)
- ♦ SBCCD Bond Assistance Program Summary



## PROFESSIONAL SERVICES AGREEMENT

114 SOUTH DEL ROSA DRIVE  
SAN BERNARDINO, CALIFORNIA, 92408

This agreement is made and entered into by and between the San Bernardino Community College District hereinafter referred to as "DISTRICT", and Merriwether & Williams Insurance Services hereinafter referred to as "CONTRACTOR".

### RECITALS

**WHEREAS**, the DISTRICT needs professional services in the implementation of a contractor bonding assistance program and;

**WHEREAS**, the CONTRACTOR is professionally and specially trained and competent to provide these services; and,

**WHEREAS**, the authority for entering into this agreement is contained in Section 53060 of the Government Code and such other provisions of California Law as may be applicable,

**NOW THEREFORE**, the parties to this agreement do hereby mutually agree as follows:

### AGREEMENT

**1. DESCRIPTION OF SERVICES**

Services shall be rendered per the scope of work in Exhibit A.

**2. TERM**

CONTRACTOR will commence work under this agreement on April 11, 2014, and will diligently prosecute the work thereafter. CONTRACTOR will complete the work not later than April 10, 2017. CONTRACTOR shall not commence work until the Board has approved the Agreement. This agreement may be renewed for two (2) additional one (1) year terms upon written notice by DISTRICT.

**3. COMPENSATION**

- a. Payment(s) shall be made in the following manner: in the amounts listed on Exhibit B.
- b. The "Not to Exceed" amount for this contract is set at \$684,350.
- c. Billing :  
CONTRACTOR shall invoice DISTRICT in triplicate upon completion of each phase of services rendered and provide original receipts of all reimbursable and travel-related expenses, if applicable.
- d. DISTRICT will not withhold federal or state income tax from payments made to CONTRACTOR under this agreement, but will provide CONTRACTOR with a statement of payments made by DISTRICT to CONTRACTOR at the conclusion of each calendar year.

**4. TERMINATION**

This agreement may be canceled by either party without cause by written notice and with fifteen (15) calendar days.

**5. RELATIONSHIP OF PARTIES**

DISTRICT and CONTRACTOR hereby agree and acknowledge that CONTRACTOR, in providing the services herein specified, is and at all times shall be acting as an independent contractor. As such, CONTRACTOR shall have the right to determine the time and the manner in which the contracted services are performed. DISTRICT shall not have the right to control or to determine the results to be attained by the work of CONTRACTOR, nor the details, methods, or means by which that result is to be attained. CONTRACTOR shall not be considered an agent or employee of DISTRICT and shall not be entitled to participate in any employee fringe benefits of DISTRICT. The relationship of the parties will be based on the IRS guidelines. The DISTRICT reserves the right to make the final determination as to the correct relationship of the parties.

**6. CONTRACTOR'S STATUS**

Contractor expressly represents and covenants that he/she is a business duly licensed under the relevant rules and regulations of the State of California and that services provided to the DISTRICT are provided pursuant to such rules and regulations.

**7. INSURANCE PROVISIONS**

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

I. A. The DISTRICT, its officers, officials, employees and volunteers are to be covered as insured's as respects: liability arising out of work performed by or on behalf of CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR

B. For any claims related to this project, the CONTRACTOR's Insurance converge shall be primary insurance as respect the DISTRICT, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the DISTRICT, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

C. CONTRACTOR shall notify DISTRICT within three (3) days following its first notice or awareness of any actual or proposed termination or cancellation of, or material change in the required insurance coverage.

II. Professional liability, and/or Errors & Omissions coverages are written on a claims-made form:

A. The retroactive date must be shown, and must be before the date of the contract and/or the beginning of the contract work.

B. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contracted work.

C. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the

CONTRACTOR must purchase an extended period coverage for a minimum of five (5) years after completion of contract work.

D. A copy of the claims reporting requirements must be submitted to the DISTRICT for review.

III. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII unless otherwise acceptable to the DISTRICT. Exception may be made for Stat Compensations Insurance Fund when no specifically rated.

IV. Verification of Coverage: Consultant shall furnish the DISTRICT with original certificates and amendatory endorsements effecting coverage required by the clause. The Endorsement should be in a format that conforms to DISTRICT requirements. All certificates and endorsements are to be received and approved by the DISTRICT before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The DISTRICT reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage require by these specifications at any time.

V. Waiver of Subrogation: CONTRACTOR hereby agrees to waive subrogation which any insurer or contractor may acquire from vendor by virtue of the payment or any loss. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

VI. Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the DISTRICT for all work performed by the CONTRACTOR, its employees, agents and subcontractors.

8. CONTRACTOR shall maintain Insurance with limits of no less than as stated below:
- General Liability** shall have a limit no less than of \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
  - Automobile Liability** shall have a limit no less than \$1,000,000 per accident for bodily injury and property damage. The DISTRICT shall be endorsed as additional insured on the policy
  - Workers' Compensation** shall have a limit no less than as required by the State of California.
  - Professional Liability** shall have a limit no less than \$1,000,000 per occurrence

9. **HOLD HARMLESS**

CONTRACTOR agrees to indemnify, save and hold DISTRICT, its officers, agents and employees harmless from any liability for any claims, accusations, or suits at law or in equity, or in any administrative proceeding, that may be brought by third persons on account of personal injury, death, or damage to property, or a property of business or

personal interest, or for any fine, forfeiture or civil penalty arising from any act or omission by CONTRACTOR, its officers, agents, or employees while performing operations under the Agreement.

DISTRICT agrees to indemnify, save and hold CONTRACTOR, its officers, agents and employees harmless from any liability for any claims, accusations, or suits at law or in equity, or in any administrative proceeding, that may be brought by third persons on account of personal injury, death, or damage to property, or a property of business or personal interest, or for any fine, forfeiture or civil penalty arising from any act or omission by DISTRICT, its officers, agents, or employees while performing operations under the Agreement.

This hold harmless and indemnification does not apply as respects losses the District may incur in conjunction with the collateral pledged for contractors participating in the District's bonding assistance program.

**10. AMENDMENTS**

This Agreement may be amended or modified only by written agreement signed by both parties. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a continuous waiver of the right to compel enforcement of such provision or provisions, nor shall such waiver be construed as a release of any surety from its obligations under this Agreement.

**11. ATTORNEY'S FEES**

Should any party violate or breach any term or condition of this Agreement, any other party shall have, without limitation, the right to move for entry of judgment by a court of competent jurisdiction, to seek specific performance thereof, and otherwise exercise all remedies available to him, her or it under the law to obtain redress from injury or damage resulting from any such violation or breach. In any such legal proceeding(s) brought to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs incurred as a consequence hereof.

**12. ENTIRE AGREEMENT**

There are no understandings or agreements except as herein expressly stated. Any modifications must be in writing.

**13. INDEPENDENT CONTRACTOR**

CONTRACTOR is an independent contractor and not an officer, agent, servant, or employee of DISTRICT. CONTRACTOR is solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subgrantees, if any. Nothing in this Agreement shall be construed as creating a partnership or joint venture between DISTRICT and CONTRACTOR. Neither CONTRACTOR nor its officers, employees, agents, or subgrantees shall obtain any rights to retirement or other benefits that accrue to DISTRICT employees.

**14. LAW TO GOVERN: VENUE**

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of San

Bernardino. In the event of litigation in a U.S. District Court, exclusive venue shall lie in the Central District of California.

**15. NOTICES**

All notices herein required shall be in writing and delivered in person or sent by certified mail, postage prepaid, addressed as follows:

**IF TO DISTRICT**

Steven Sutorus, Business Services  
San Bernardino Community College District  
114 South Del Rosa Drive  
San Bernardino CA 92408  
909-382-4031

**IF TO CONTRACTOR**

Ingrid Merriwether, President and CEO  
Merriwether & Williams Insurance Services  
523 W. 6<sup>th</sup> Street, Suite 650  
Los Angeles, CA 90014  
(213) 258-3000

**16. VALIDITY**

If any terms, condition, provision, or covenant of this Agreement shall to any extent be judged invalid, unenforceable, void, or violable for any reason whatsoever by a court of competent jurisdiction, each and all remaining terms, conditions, promises and covenants of this Agreement shall be unaffected and shall be valid and enforceable to the fullest extent permitted by law.

**17. EXHIBIT AND ADDENDUM INCORPORATED**

Exhibits "A - B" are attached hereto and incorporated into this Agreement by reference.

**18. PUBLIC EMPLOYEE**

If CONTRACTOR is a regular employee of a public entity, all services which CONTRACTOR renders under this agreement will be performed at times other than CONTRACTOR'S regular assigned workday for said entity, or during periods of vacation or leave of absence from said entity.

**19. STRS RETIREE**

CONTRACTOR shall provide DISTRICT with a statement indicating whether or not CONTRACTOR is a retired member of the State Teacher's Retirement System of the State of California.

**20. ASSIGNMENT**

This Agreement is neither assignable nor transferable by either party or by operation of law without the consent in writing of the other party. Consent by either party to one or more assignments or transfers shall not constitute consent to a subsequent assignment or transfer.



IN WITNESS WHEREOF, the parties hereto have executed this agreement.

Timothy L. Oliver  
DISTRICT SIGNATURE  
Timothy L. Oliver, Interim Vice Chancellor, Business and Fiscal Services

Date 4/22/14

Ignacio Memwether  
CONTRACTOR SIGNATURE

Date 4/16/14

Name: Ignacio Memwether

Title: President + CEO

## **EXHIBIT "A"**

### **SCOPE OF BASIC SERVICES**

Consultant shall provide assistance to contractors enrolled in the San Bernardino College District Bonding and Technical Assistance Program in obtaining bid, performance, and payment bonds, and working capital lines of credit, which includes, but may not be limited to the services described in the "Statement of Services" below.

Services shall be managed within the available budget as set forth in the Compensation Summary above and in the Exhibit "B" that follows.

#### **Contractor Surety Bond and Finance Assistance Program Statement of Services**

Consultant shall, as directed by District and/or Program Manager, provide assistance to contractors enrolled in the District's Bonding & Technical Assistance Program in obtaining bid, performance, and payment bonds. Assistance will also be provided to contractors in increasing their bonding capacity. The scope of services will include the following:

1. Work with District staff to address program funding needs including establishing line of credit, budget, and program fees.
2. Establish Advisory Committee Members and format.
3. Coordinate the execution of Memorandums of Understanding with program partners (Sureties, Financial Institutions, Funds Administrators), to document the working relationships, policies and procedures that govern each transaction. This includes meeting and negotiating the terms and conditions so they are acceptable to both the program partners and the District.
4. Disseminate program introductory information and work with the District and its Program Manager to organize program events including media press releases.
5. Ensure all sureties and lenders participating in the program meet the District's appropriate requirements. Actions are taken whenever ratings fall below the District's requirements.
6. Ensure the rates charged by program partners are within industry standards and review for accuracy all invoices before submittal to the District.
7. Obtain information necessary to evaluate changes in the marketplace are communicated to District staff, contractors, and all concerned.
8. Identify our targeted contracting community.

Distribute brochures, pamphlets, and booklets that contain program services, information regarding program features, and the bonding process.

9. Participate in community, business associations, and program partners meetings and events in order to disseminate information regarding the program. Outreach includes among others:
  - a. Contractors' Associations
  - b. Builders Exchanges
  - c. Business Development Centers
  - d. Minority and Small Business Trade Fairs
  - e. Small Business Associations
  - f. Large Prime Contractors
  - g. Surety Association of America and affiliated branches
  - h. Associations of Funds Administrators
  - i. Financial Institutions
10. Assist the District and its Program Manager in the creation of advertising of the program in local industry organization newsletters and community newspapers.
11. Sponsor informational workshops as well as face-to-face meetings with program partners, sureties, and financial institutions, brokers, and funds administrators to encourage their participation in the program.
12. Coordinate informational workshops and seminars for contractors on bonding, financing, and business management.
13. Provide one-on-one consultation to contractors on bonding underwriting requirements and process.
14. Continue to increase contractor enrollment by gathering all necessary documentation, obtain eligibility to participate in the program by the District, review contractor's license, set up assessment meeting and distribute appropriate forms.
15. Assist in the completion of bond package for submittal to sureties. This often involves multiple face-to-face meetings and phone calls with the contractor explaining the purpose of the forms, instructions on how to complete them, how sureties and financial institutions underwrite the package.
16. Analyze the contractors surety package to determine and negotiate the most effective means of overcoming the contractor's prior inability to obtain bonding. Also evaluate overall qualifications to complete the project and determine what program benefits should be allocated. Apply a combination of tools to mitigate risk for the District and surety.
17. Work with contractor's existing brokers in assessing and analyzing the package. If contractors do not have prior relationships a list of brokers and lenders will be supplied.

18. Assemble contractor support teams based on contractor's needs. These include one or more of the following: CPA's, business consultants, economic development specialists, surety, brokers, lenders, and funds administrators.
19. Coordinate the activities of the support team as they assist the contractor in meeting surety underwriting requirements. Maintain timelines to meet bid/contract date deadlines.
20. Analyze bond requirements of the prospective job. Review and analyze provisions of documents between prime and subcontractors. Obtain approval to extend guarantees for bonding by preparing and submitting guarantee forms and summarizations to the District.
21. Coordinate the preparation of the bond, collateral receipt and security agreements, and letter of credit.
22. Work with funds administrator, the District, and the contractor to ensure appropriate flow of funds.
23. Create files with pertinent information on each contractor. Periodically update documentation so files remain current. Pursue missing information for District staff, surety, financial institution, and/or funds administrator.
24. Risk management duties include but are not limited to:
  - a. Obtain participation agreements providing the District recourse for all guarantees. Participation agreements are required of all contractors receiving program service.
  - b. Attend pre-construction meetings to facilitate communication between all interested parties particularly the project manager and the program contractor. It is critical that all parties are aware of their roles and responsibilities in protecting the District's collateral.
  - c. Obtain status reports to ensure satisfaction on job performance, and funds administration payment.
  - d. Timely monitoring of this information is critical to minimize the risk of claims and to protect the District's collateral.
  - e. Provide proactive dispute mediation and resolution concerning owner and prime relationships, prime and subcontractor relationships, change orders, funds administration, and progress payments.
  - f. Provide approved collateral documentation to ensure compliance with the terms of the contract and Mechanics Lien Laws.

- g. Provide Collateral Security Receipt and Agreement forms to surety.
  - h. Coordinate collateral amendments, renewals, and expirations in accordance with various regulations, policies and procedures.
  - i. Organize the timely release and return of all collateral.
  - j. Obtain final closing documentation on bonds i.e. final status report, recorded notice of completion, distribute copies of documents to respective parties, follow up to ensure return of collateral, verify final closing fees, obtain final distribution of funds administration.
25. Provide quarterly activity reports on all Program activity. Reports encompass bond activity, technical assistance, funds administration activity, program balance sheet, and cost savings analysis.
26. An annual stewardship report is prepared following the close of each fiscal year.

**EXHIBIT "B"**

**PAYMENT TERMS**

Payment will be made to contractor upon successful completion and acceptance of the following services listed below:

**Direct Costs**

Program Positions - Merriwether & Williams	Year 1		Year 2		Year 3	
	Hourly Rate/ Annual Hours	Annual Cost	Hourly Rate/ Annual Hours	Annual Cost	Hourly Rate/ Annual Hours	Annual Cost
Program Manager	\$140	\$159,880	\$140	\$137,060	\$140	\$137,060
	1142		979		979	
Program Support	\$75	\$30,600	\$75	\$29,775	\$75	\$29,775
	408		397		397	
Program Senior Executives (implementation)	\$170	\$10,200				
	60					
<b>Total</b>	Annual	<b>\$200,680</b>	Annual	<b>\$166,835</b>	Annual	<b>\$166,835</b>

**Other Indirect Costs**

Program Third Party Service Fees (estimated)	Year 1	Year 2	Year 3
Third party funds administration (based on \$5 Million estimated managed contract proceeds @ 1%)	\$50,000	\$50,000	\$50,000
<b>Total</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>

**Total Costs for Program**

Type	Year 1	Year 2	Year 3
Direct	\$200,680	\$166,835	\$166,835
Indirect	\$50,000	\$50,000	\$50,000
<b>TOTAL</b>	<b>\$250,680</b>	<b>\$216,835</b>	<b>\$216,835</b>

# San Bernardino Community College District Bonding Assistance Program

Eligible Contractors are enrolled and assessed to discern "bondability" based on criteria standards.

"Bondable" Contractors are introduced to Prime Contractors.

Prime Contractors can reduce their risk by having qualified local contractors that are bondable.

Contractors enhance their ability to establish or increase bonding capacity and grow their business.

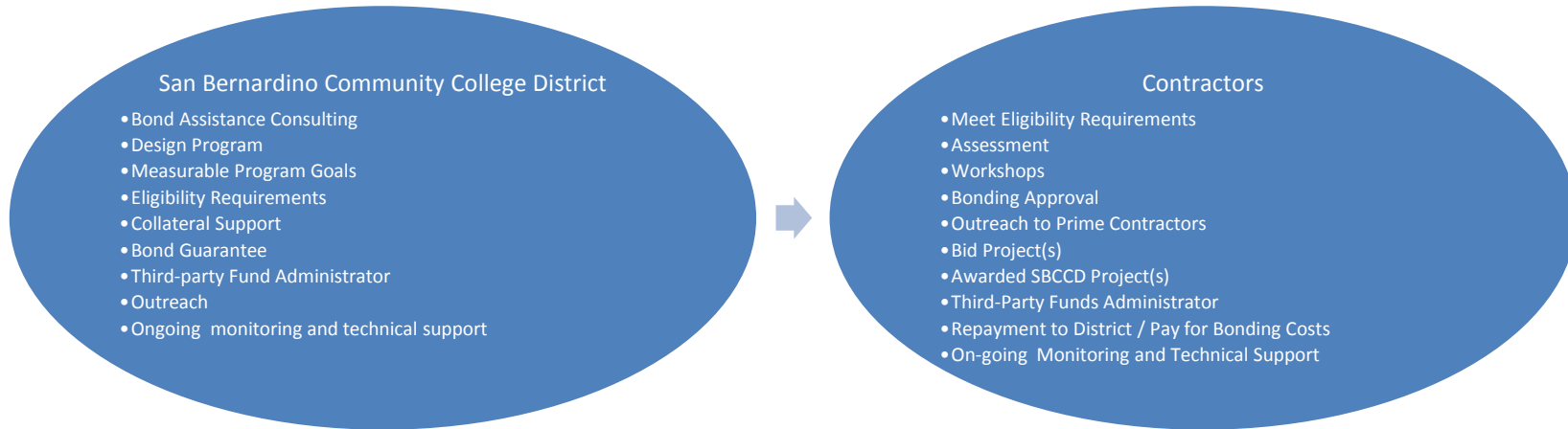
## How the Proposed SBCCD Bonding Assistance Program Works

- **Contractor Technical Consultation.** SBCCD will work with contractors to assess their current bonding capacity, address and/or offset deficiencies, and apply credit enhancement tools such as collateral support to establish or increase the contractor's bond credit worthiness.
- **On-Going Contractor Support.** The Program administration firm will advise and counsel program participants to help them prepare for bondability and will continue to offer technical support and monitoring for program participants under contract to SBCCD.
- **Bond Guarantees.** SBCCD will negotiate a Line of Credit with a lending facility for the purpose of issuing Irrevocable Letters of Credit (ILOCs) on behalf of program contractors approved for collateral support. It is anticipated that ILOC fees will be between 1.25% - 1.5%. As a possible alternative, the District may provide a direct guarantee commitment to a District Prime Contractor in lieu of a subcontractor bond, thereby saving bank fees and eliminating subcontractor bond premiums.
- **Collateral Support.** SBCCD's bond guarantee portion of the program is collateral, which serves as risk mitigation to sureties and as an inducement to bond small contractors not meeting standard underwriting criteria. This will help SBCCD program contractors to establish or increase their bonding capacity. The District will set a maximum guarantee cap at a set dollar amount (for example, \$200,000-\$400,000), not to exceed 40% of the bond or contract, sharing the risk with sureties in exchange for a contractor performance and payment bond for a SBCCD program contractor.
- **Third-Party Funds Administrator.** A third-party fiduciary will manage project progress payments to ensure that all project funds are used to cover the costs of the project and to minimize the risk of loss to the District.

## Benefits to District

- Increases the pool of qualified, eligible local and emerging construction contractors and subcontractors to bid on District projects in support of the local/emerging Board policy adopted in 2013.
- Increases the number of eligible participants in lease leaseback and competitive bid projects.
- Realizes savings through the expansion of the pool of contractors, and anticipated reductions in bid prices and expenses associated with stop notices and takeover contracts.
- Provides an essential program designed to protect bond dollars and minimize risks.
- Allows for other local public entities to join SBCCD to maximize the effectiveness of their construction programs, and potentially reduce bond assistance program administration costs based on the sharing of resources.

## San Bernardino Community College District Bond Assistance Program



<b>SAN BERNARDINO COMMUNITY COLLEGE DISTRICT</b>	<b>CONTRACTORS &amp; SUBCONTRACTORS</b>
<b><i>Program Design and Process</i></b>	<b><i>Program Participation and Process</i></b>
<ol style="list-style-type: none"> <li>1. Contract Consulting Services for Bond Assistance Program</li> <li>2. Design Bond Assistance Program to support the local/emerging contractors Board policy</li> <li>3. Develop a structure to measure program success</li> <li>4. Develop eligibility requirements for contractors and subcontractors to participate in the Bond Assistance Program</li> <li>5. Establish a line of credit as collateral for the bond or guarantee</li> <li>6. Set the dollar cap, with a guarantee percentage fixed at 40%. The result would be, for example, a maximum guarantee per transaction of \$400,000 or 40%, whichever is less.</li> <li>7. Establish contract for Third Party Funds Administration (TPFA)</li> <li>8. TPFA manages all project progress payments to ensure that all project funds are used to cover the costs of the project and minimize risk of loss to the District</li> <li>9. Outreach to contractors and subcontractors in cooperation with Kitchell/BRj, the Bond Assistance Program consultant and others</li> <li>10. Ongoing outreach, contractor technical support, monitoring and risk mitigation to inform and assist program participants and minimize SBCCD risk</li> </ol>	<ol style="list-style-type: none"> <li>1. Meet eligibility requirements (to be determined) to participate in the SBCCD Bond Assistance Program</li> <li>2. Be assessed to discern bondability or collateral support based on criteria standards</li> <li>3. Attend workshops conducted by the Program consultant</li> <li>4. Issuance of bond or collateral support to approved contractor based on capacity and contractor</li> <li>5. Receive “pre-approval” as a Program participant</li> <li>6. Attend outreach events</li> <li>7. Bid on projects that fit approved bonding capacity, and contractor or subcontractor capabilities</li> <li>8. Receive a contract or subcontract to perform on a SBCCD construction project</li> <li>9. Execute Third Party Funds Administration (TPFA) agreements as required in exchange for District-backed collateral support</li> <li>10. Contractor’s or subcontractor’s approved monthly invoices are paid directly to TPFA</li> <li>11. TPFA pays all contract obligations owed to material suppliers and lower tier subcontractors, and pays bond premiums</li> <li>12. Receive ongoing technical support services</li> <li>13. Performance is monitored by the Program administrator to protect the bond and mitigate risk on projects</li> </ol>