PAVED
Projects Adding Value by Expanding Diversity
## Texas Department of Transportation

### PAVED

**Transportation Summit**

*Texas Christian University*

*Brown-Lupton University Union*

*2901 Stadium Dr., Fort Worth, TX 76129*

**October 13, 2017 · 8:00 AM - 1:00 PM**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>8:00 AM - 10:00 AM</td>
<td>Registration</td>
</tr>
<tr>
<td>10:00 AM - 10:15 AM</td>
<td>Welcome and Introductions</td>
</tr>
<tr>
<td></td>
<td>Gregory W. Ceddillo, P.E., Director of Construction, TxDOT Fort Worth District</td>
</tr>
<tr>
<td>10:15 AM - 10:45 AM</td>
<td>Case Study</td>
</tr>
<tr>
<td></td>
<td>Tracy Green, President and CEO, TrinMan Enterprises</td>
</tr>
<tr>
<td>10:45 AM - 11:30 AM</td>
<td>Heavy Highway Panel Discussion</td>
</tr>
<tr>
<td></td>
<td>Panelist 1: Tom Herman, DBA, North Texas Area Manager, Flatiron</td>
</tr>
<tr>
<td></td>
<td>Panelist 2: Dana Bihl, Contract Administrator, Big Creek Construction</td>
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<tr>
<td></td>
<td>Panelist 3: Gregory W. Ceddillo, P.E., Director of Construction, TxDOT Fort Worth District</td>
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<tr>
<td></td>
<td>Panelist 4: Shannen Lauster, President, QMF Steel, Inc.</td>
</tr>
<tr>
<td>11:30 AM - 12:30 PM</td>
<td>DBE Compliance and Construction Opportunities</td>
</tr>
<tr>
<td></td>
<td>Jesse Lineberger, Letting Management Section Director, TxDOT Construction Division</td>
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<tr>
<td></td>
<td>Martha Arnold, Program Specialist, TxDOT Civil Rights Division</td>
</tr>
<tr>
<td></td>
<td>John Tilghman, P.E., Transportation Engineer, TxDOT Fort Worth District</td>
</tr>
<tr>
<td>12:30 PM - 1:00 PM</td>
<td>Financial, Access to Capital and Bonding</td>
</tr>
<tr>
<td></td>
<td>Erin Hughes, President, Dominion Capital Management Corporation</td>
</tr>
</tbody>
</table>

Breakout sessions on the following topics will be held from 11:30 AM to 12:30 PM.

- Pre-Qualifications
- DBE Certification
- Navigating TxDOT.gov

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TxDOT PAVED Transportation Summit – Fort Worth

October 13, 2017
Thank you to the following industry partners:

- AGC of Texas
- Alliance Geotechnical Group
- Austin Bridge & Road
- Equify
- Ferrovial Agroman US Corp
- Fluor Corporation
- Granite Construction
- Holmes Murphy
- HNTB
- Iconic Consulting Group
- Kiewit Infrastructure Group
- McCarthy Building Companies
- United Rentals
- Webber
- WSP USA, Inc.
- Zachry Construction Corporation
Host Partners and Regional Supporters

Thank you to the following host partners:

**Regional Hispanic Contractors Association**
John Martinez
President
[John@regionalhca.org](mailto:John@regionalhca.org)

Ruben Landa
Vice Chairman
[Ruben.Landa@wsp.com](mailto:Ruben.Landa@wsp.com)

**Regional Black Contractors Association**
Kimberly Sparks
Program Director
[KSparks@blackcontractors.org](mailto:KSparks@blackcontractors.org)

**National Association of Minority Contractors**
Demetria L. Bivens
Executive Director
[DBivens@namcdfw.org](mailto:DBivens@namcdfw.org)
Thank you to the following speakers and panelists:

**Dominion Capital Management Corporation**
Ervin Hughes  
President  
EHughes@ar2credit.com

**TinMan Enterprises**
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**Big Creek Construction**
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Contract Administrator  
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**QMF Steel, Inc.**
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Sherrill@qmfsteel.com

**Flatiron**
Tom Herman, DBIA  
North Texas Area Manager  
THERman@flatironcorp.com

**TxDOT**
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Greg.Cedillo@txdot.gov
Points of Contact

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Michael.D.Bryant@txdot.gov

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Director of Construction
Greg.Cedillo@txdot.gov

John Tillinghast, P.E.
Project Engineer
John.Tillinghast@txdot.gov

**Associated General Contractors of Texas**
Paul Causey
North Texas Area Manager
PCausey@agctx.org
TxDOT Websites

- Civil Rights Division - http://www.txdot.gov/inside-txdot/division/civil-rights.html
TinMan Enterprises

Presented by: Tracy L. Green, President

October 13, 2017
AGENDA

- Company Overview
- Projects
- My Journey
- DOT Available Resources
- Critical Success Factors
- Strategic Partnerships
- Question & Answer
COMPANY OVERVIEW

- Founded 1999, current leadership since 2002
- Tracy Green, President
- Welding, Fabrication, & Repair of
  - Fences & Gates
  - Handrails
  - Stairs
  - Structural steel
  - Decorative metalwork
- Heavy Highway/Civil Construction
- Serving Texas and adjacent states
TinMan
WELDING SERVICES
Where ideas take shape.
Pedestrian Rail – Cameron County
Rail – Municipal project
Unsafe safety cable – Houston Channel Ship Bridge
Replace safety cable – Houston Channel Ship Bridge
Channel & Guard Rail – Orange County
Guardrail & End Treatments
Crash Cushion Repairs & Replacement
Ornamental Fence Posts – Local let
Ornamental Fence Installed – Local Let
My Journey

- **Education**
  - Bryan High School, Bryan, TX
  - Vanderbilt University, Nashville, TN
  - University of Denver, Denver, CO

- **Military**

- **Corporate Career**

- **Entrepreneurship**
DOT AVAILABLE RESOURCES

- DOT-funded training and support

- Training resources
  - Pre-qualification/Bidding & Estimating class

- TX DOT Programs and Resources
  - Website
  - Financial document support
  - Financing opportunities
  - On-the-job training services and grants (RTW)
  - Alliance Program
Critical Success Factors

1. Certification
   a. Bidder’s Questionnaire – Levels of certification (Waived vs. Non-waived); Bidding capacity - Working Capital = Current Assets – Current Liabilities
   b. DBE Certification - NCTRCA/Expiration/TX DOT Annual Update/NAICS codes

2. Bidding strategy
   a. Strategic partnerships
   b. Location
   c. Local let projects

3. Contract
   a. Sets the tone for the relationship
   b. Manages risk – Offset
   c. Specifications & Contract Drawings

4. Vendor Selection
   a. Made in America
   b. Approved TX DOT vendor

5. Financial Investment
   a. Suppliers/Joint check
   b. Labor
   c. Equipment – Rent vs. Own
Critical Success Factors

6. Operations
   a. Inventory & secure material
   b. Material escalation
   c. Unit price vs lump

7. Documentation
   a. Certified payroll
   b. E-verify
   c. Product data
   d. Commercially Useful Function (CUF)
   e. Field directives

8. Billing – HOW DO WE GET PAID?
   a. All the above
   b. Billing cut-off date
   c. Monthly contractor’s estimate – quantity and timeline
   d. Liquidated damages

9. Internal process controls

10. Strategic partnerships & resources
Strategic Partnerships

- **Pros:**
  - Improved Customer Service
  - Access To Other Markets
  - Does not require forming a formal legal entity

- **Cons:**
  - Less defined than a joint venture (JV)
  - More customer education required
  - Does not require forming a formal legal entity

- Partner Selection
- Rules of Engagement
- Measure of Success
AGENDA

- Company Overview
- Projects
- My Journey
- DOT Available Resources
- Critical Success Factors
- Strategic Partnerships
- Question & Answer
Questions?
Tracy L. Green
tracy@tinmanenterprises.net
817.288.6116 x 102 Office
817.343.8111 Mobile
CONTRACTING WITH TXDOT 101

Instructions for New Contractors

Construction Division
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<td>Contract Letting</td>
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<td>Contact Information</td>
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LEADING UP TO CONTRACTING
Leading Up To Contracting

- Prequalification
- Proposal Request
- Bid Submittal
- Contract Letting
- Bid Tabulations
- Texas Transportation Commission Meeting
CONTRACT LETTING
Contract Letting

State Let Construction and Maintenance Contracts

Local Let Projects
BID TABULATIONS
Bid Tabulations

Bid Tabulations and Bid Totals

- Made available on the TxDOT website
- 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges (Spec Book)
  - Item 2, Section 11

http://www.dot.state.tx.us/business/bt.htm
CONTRACT AWARD
Contract Award

Texas Transportation Commission Meeting
- Last Thursday each month
- State Let contracts
- Conditionally Awards
- Rejects some projects
  - Price or other considerations
- State Let contract results:
  http://www.txdot.gov/isdtdot/orgchart/cmd/cserve/results/awarded.htm
- Spec Book
  - Item 3, Section 1
- Awarded at the District level
- Local Let maintenance contract results:
  http://www.txdot.gov/isdtdot/orgchart/cmd/cserve/results/awardedl.htm
Contract Award

Delay of Award
- C&M Agreement
- Notice of Financial Clearance
- DBE Approval

Award
- Award Letter
  - 15 day turnaround
  - Instruction Sheet
- Contract documents
  - Bound contract
  - Conformed contract
  - Surety copy
  - Memo of special requirements
    - Railroad
    - Right of Entry
    - Railroad Insurance
    - Warranty
    - Bond/Manufacturer’s Bond

Texas Department of Transportation (TxDOT) State Let Construction & Maintenance Contracts
Additional Instructions for CONTRACTORS and SURETY Company

CONTRACTS AND BONDS
- Contracts must NOT be disassembled for any reason.
- CONTRACTOR must execute and return contracts within 15 days of receiving award letter (ONE bound contract and ONE conformed contract) and BONDS in INK.
- CONTRACTOR must sign and date the Signature Page, Performance Bond and Payment Bond.
- The bond(s) in the contract must be executed (including their signature and date signed) by a corporate surety company authorized to write Fidelity and Surety Bonds for public works in the State of Texas, and for contracts greater than $100,000 such SURETY must be listed in the current issue of the Federal Register, Dept. of Treasury list and must show adequate bonding capacity for the class of the contract. SURETY must execute bonds in INK.
- SURETY may state bonds and Powers of Attorney; however, they cannot be dated past the due date of the contracts.
- A Power of Attorney, showing that the SURETY’s officer or attorney in fact has the authority to sign the bonding obligations, must be impressed with the corporate seal and attached behind the payment bond in each contract. In addition, the SURETY should attach a bond claim notice.
- Corporate seal of the SURETY must be embossed on all bonds and also the Powers of Attorney. Water seals and stamp facsimile are not acceptable.

INSURANCE
- Please verify the required insurance information is on file and current with TxDOT and the contract requirements. New or updated information will need to be submitted by the insurance agent by completing the appropriate TxDOT Certificate of Insurance, Form 1550. The form can be accessed at the following link:
- Completed forms can be submitted to CST_Insurance@txdot.gov

TEXAS ETHICS COMMISSION COMPLIANCE
- Effective January 1, 2015, CONTRACTORS are required to submit a Texas Ethics Commission form 1295 for all projects. The form can be accessed at the following link:
  https://www.ethics.state.tx.us/transactions/local_info_form1295.html
- This form must be signed and notarized (so enable TxDOT to acknowledge it online) and returned, along with all other contract documents, in the mail. An electronic copy can be emailed to CST_Contracts@txdot.gov, but if doing so, in the subject field please reference CONTRACTOR’S Business Name, applicable CSI and contract #.

MAIL
Return all contract documents prior to 5:00 PM on the due date shown on the award letter. If the contract due date is on a weekend or holiday, the contract is due the first business day following the weekend or holiday. A duplicate contract will be returned to the CONTRACTOR when fully executed by the State. If the Contractor fails to comply with all of the requirements in Article 9-A, “Execution of Contract,” the proposal guaranty will become the property of the State, not as a penalty, but as liquidated damages. The Contractor forfeiting the proposal guaranty will not be considered in future proposals for the same work unless there has been a substantial change in design of the work.

Send contract documents to:
TExAS DEPARTMENT OF TRANSPORTATION
CONSTRUCTION DIVISION CONTRACT PROCESSING
200 EAST RIVERSIDE DR.
AUSTIN, TEXAS 78704-1387

ASSISTANCE
- For questions or assistance call Contract Processing @ 512-436-2540 or email CST_Contracts@txdot.gov
Requirements:

- Return within 15 days
- Authorized Contractor signature
- Executed Performance and Payment Bonds
  - Power of Attorney
  - Claims Page
- Special requirements
  - Railroad
  - Right of Entry
  - Railroad Insurance
  - Warranty Bond/Manufacturer’s Bond
- Ethics Commission 1295 Cert

Spec Book

- Item 3, Section 4

Requirements met:

- Bound contract to Contractor
- District notification
COMPLETING THE WORK
Completing the Work

Contract management

– District
  • Preconstruction Meeting
  • Project schedule
  • List of Material suppliers
  • Administration
  • Completion of work

http://www.txdot.gov/inside-txdot/district.html
Completing the Work

As items are completed
- Inspected by TxDOT
- Paid monthly

Contractor Information System (CIS) Reports
- Monthly estimates
- Published on the website

Refer to the Spec Book for payment of items

Contact Information

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM

OVERVIEW

Civil Rights Division
Code of Federal Regulations (CFR)
Title 49 - Transportation
Subtitle A – Office of the Secretary of Transportation
Part 26—Participation By Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs

49 CFR Part 26
Disadvantaged Business Enterprise (DBE)

- A for profit small business certified through the Texas Unified Certification Program, that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged; and

- Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
Texas Unified Certification Program (TUCP)

Six certifying entities:

- City of Austin
- City of Houston
- Corpus Christi Regional Transportation Authority (CCRTA)
- North Central Texas Regional Certification Authority (NCTRCA)
- South Central Texas Regional Certification Authority (SCTRCA)
- Texas Department of Transportation (TxDOT)
The prime contractor shall utilize the DBEs listed in the prime’s UP:

- Race-conscious DBE participation
- The DBE must be certified at the time of the commitment
- The DBE must be certified in the NAICS code applicable to the kind of work the firm would perform on the contract

Prime enters into a contractual arrangement with the DBEs listed in the UP specifying the work to be performed and the compensation for the work:

- Subcontract Agreement or Purchase Order (P.O.)
- The DBE must be certified at the time the subcontract or P.O. is executed
Goal Credit & Counting: Types of DBE Participation

Subcontractors – 100% credit
- Must perform 30% of work with its own forces
- Any work subcontracted to a non-DBE will not count

Material Suppliers
- Manufacturers – 100% credit (alter or fabricate product)
- Regular Dealers – 60% credit
  - Selling from inventory
  - Own and operate distribution equipment

Packagers, Brokers, Manufacturer’s Representatives, Transaction Expediters
- Fees or Commissions only
- Fees or Transportation Charges for the Delivery
- Do not count the cost of the materials or supplies
DBE Trucking Firms – 100% credit

- May lease trucks from both DBEs and non-DBEs
- Limited credit allowed for the use of leased non-DBE trucks
- Manage and supervise the entire trucking operation
- Own and operate at least one (1) fully licensed, insured, and operational truck used on the contract
- Receives credit for using trucks it owns, insures, and operates using drivers it employs
- If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers – 100% credit
Commerically Useful Function (CUF)

A DBE performs a CUF when it is responsible for the execution of the work of the contract and is carrying out its responsibilities by actually:

- Performing
- Managing
- Supervising the work involved
To perform a CUF, the DBE must be responsible, with respect to materials and supplies used on the contract for:

- Negotiating price;
- Determining quality and quantity;
- Ordering the material;
- Installing (where applicable) and
- Paying for the material itself.

Only when a DBE meets all of the requirements should DBE credit be counted for the procurement of the items by the DBE.
Goal Credit & Counting: Commercially Useful Function

- The DBE must be performing a CUF

- Credit is only counted if the prime has paid the DBE for the work performed

- No credit will be given for any materials, supplies, or equipment the DBE obtains from the prime or the prime’s affiliates

- If a CUF is not performed, goal credit will be denied
Any terminating or substituting of a DBE listed in the approved UP requires the following:

- Prior Departmental approval;
- Letter or notice of intent sent to the DBE;
- Documentation that the DBE was not willing or able to perform (e.g., Good Cause); and
- That the prime make a good faith effort to find another DBE to the extent needed to meet the goal.
Termination & Substitution

Good Cause:

- Failure or refusal to execute a written subcontract;
- Failure or refusal to perform the subcontract that is consistent with normal industry standards;
- The DBE firm goes out of business or exhibits credit unworthiness;
- The DBE voluntary withdraws;
- The DBE is ineligible to receive DBE credit for the type of work performed;
- Other

The prime must provide the DBE with written notice of its intent and allow the DBE 5 days to respond.
Civil Rights Division

Good Faith Efforts (GFE)

- A Contractor who cannot meet the contract goal, in whole or in part, must make adequate GFEs to obtain DBE participation as stated and defined in 49 CFR Part 26, Appendix A

- A GFE evaluation begins with the amount of work made available

- Quality of Efforts – not necessarily the quantity
  - Actively and aggressively trying to meet the goal

- Form 2603 - Contractors Certification of Good Faith Efforts
Good Faith Efforts (GFE): Considerations

- Soliciting the participation of DBEs (*time considerations*)
- Providing interested DBEs with the plans, specifications, and contract requirements
- Assisting interested DBEs in obtaining:
  - bonding
  - lines of credit
  - insurance as required by the contract
  - necessary equipment
  - supplies
  - materials
  - related assistance or services
- Effectively using the services of available minority/women community organizations; minority/women contractors’ groups
References

- **DBE Forms**
  http://txdot.gov/business/partnerships/dbe-forms.html

- **TUCP Directory – Diversity Management System (DMS)**
  https://txdot.txdotcms.com/
Texas Department of Transportation
Civil Rights Division
125 East 11th St.
Austin, TX 78701

(512) 416-4700
CivilRights@txdot.gov

www.txdot.gov
I-820 PROJECT
I-820 Project Overview
I-820 Project Overview

- Project Limits: on I-820 from Pipeline Rd to Randol Mill Road

- Project Scope
  - Reconstruct and widen from 4 lanes to 6 lanes
  - Reconstruct bridges over Trinity River
  - Reconstruct SH 10 bridges and intersection
  - Construct Direct connect ramps from I-820 to SH 121
I-820 Project Overview

Existing Typical Section

Proposed Typical Section
I-820 Project Overview

- Design-Bid-Build
- Let in December 2017
- Begin Construction Spring 2018
- Estimate construction timeline of four years, completion Summer 2022
- Construction Cost Estimate = $190 million
I-820 Project Overview

- Estimated Quantities
  - 300,000 CY of excavation
  - 400,000 CY of embankment
  - 100,000 TONS of HMAC
  - 100,000 SY of concrete paving
  - 1,000,000 SF of bridge
  - 250,000 SF of retaining walls
  - 20,000 LF of drainage pipe
  - 250 EA of drainage inlets, manholes, junction boxes
I-820 Project Overview

- Other items included in the project:
  - Removal of Concrete Items:
    - Curb, CTB, Retaining Walls, Flume, Paving, Riprap, Medians, Sidewalks, Driveways
  - Removal of Structure Items:
    - Inlets, Headwalls, Pipe, Junction Box, Drill shaft, Drainage Flume
  - Guardrail and End Treatments: Install and remove
  - Crash Cushion Attenuator: Install, move, reset and remove
  - Lighting, Signals, ITS, Small and Large Signs
  - Seeding, landscaping, irrigation
Questions??
Welcome and Introduction

Who We Are
Dominion Capital Management Corporation is a Houston based financial technology company that provides contract financing solutions for small businesses nationwide.

What We Do
We provide financial services, training, and credit building assistance for small businesses through the eCredit365™ Finance Suite.

Our Management Philosophy
To support growth and financial capacity for contractors.
What We Will Cover

• Bondability and Readiness
• 10 Financing Types and Requirements
• How to Finance Government Contracts
• Working Capital: The Cost of Cash vs Credit
• How to Build Your Business Credit Report
• How to Get Prequalified for Free Before You Apply
5 Things Your Bonding Agent Wishes You Knew… But Can’t Tell You. Simply put, “Bondability” is a measure of how bonding companies, lenders, investors, vendors, insurers, and suppliers view the risk of offering credit or capital to your business.

Point #1 – Business Structure
Bonding may be declined if the business fails to meet the 20 compliance items in their structure test.

Point #2 – Personal Credit Scores and Optimal Credit Usage
Personal 720+ FICO – Keeping revolving credit card balances under 40% can help to push your credit scores up quickly.

Point #3 – Business Viability
Financial statements show that your business is credit worthy and "viable." This means that you must have sufficient liquidity to prove that you can perform the work.

Point #4 – Past Performance
Build a successful project performance history by taking on projects that fit your core capabilities well and have sufficient financial capacity to perform the work. Project References are key.

Point #5 – Business Credit Scores
Build and maintain credit with suppliers. Pay on time and get strong business credit scores from business reporting agencies like National Trade Credit, Experian Business, Dun & Bradstreet, and Equifax Small Business may be used to assess overall risk.

Visit us at www.BusinessCredit.Software

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Contract Financing for Small Business
Call Today. (800) 381.0073
There are many ways to finance a business, so take a look at this list of tested and proven ways to get access to the capital and credit that your business needs to startup and grow. Depending on your business model, the sales performance of your company, and your personal credit scores, some or all of these options may be available to use to raise needed capital and credit.

Here are just (10) of them:

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Minimum Credit Requirements</th>
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</thead>
<tbody>
<tr>
<td>1) Unsecured Credit Cards</td>
<td>Owner’s Credit 740+</td>
</tr>
<tr>
<td>2) Unsecured Bank Lines</td>
<td>Owner’s Credit 740+</td>
</tr>
<tr>
<td>3) Unsecured Term Loans</td>
<td>Owner’s Credit 720+</td>
</tr>
<tr>
<td>4) Government Loans</td>
<td>Owner’s Credit 700+, Collateral</td>
</tr>
<tr>
<td>5) Asset Based Loans</td>
<td>Owner’s Credit 680+, Collateral</td>
</tr>
<tr>
<td>6) Equipment Lease Financing</td>
<td>Owner’s Credit 650+, Collateral</td>
</tr>
<tr>
<td>7) Purchase Order Financing</td>
<td>Owner’s Credit 550+, Contract A/R</td>
</tr>
<tr>
<td>8) Invoice Factoring Lines</td>
<td>Owner’s Credit 500+, Contract A/R</td>
</tr>
<tr>
<td>9) Net-30 Day Vendor Credit</td>
<td>Owner’s Credit N/A</td>
</tr>
<tr>
<td>10) Crowdfunding/Investors</td>
<td>Owner’s Credit N/A</td>
</tr>
</tbody>
</table>
MYTH
Most contractors believe that, “cash is king.” It’s not. When you are a government contractor, “credit is king.” Because of this type of thinking, many contracting firms fail or underperform financially because owners try desperately to run their businesses on cash from loans instead of business credit.

STRATEGY
In the construction contracting business, there are typically (3) costs that must be financed on credit for each contract won by the contractor and they are; Labor\(^1\), Materials\(^2\), and Equipment\(^3\).

<table>
<thead>
<tr>
<th>Financing Type</th>
<th>Structure</th>
<th>Credit Scores</th>
<th>Use of Funds</th>
<th>Source of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factoring Lines</td>
<td>Buy/Sell</td>
<td>550+</td>
<td>Draw Cash for Labor</td>
<td>Factoring Companies</td>
</tr>
<tr>
<td>Vendor Credit</td>
<td>Debt</td>
<td>N/A</td>
<td>Purchase Materials</td>
<td>Manufacturers, Distributors</td>
</tr>
<tr>
<td>Business Credit File</td>
<td>Guaranty</td>
<td>N/A</td>
<td>Finance Equipment</td>
<td>Lease Finance Companies</td>
</tr>
</tbody>
</table>
The Cost of Cash vs Credit

Borrowing costs more. The truth about contract financing options, effective rates, and financial capacity building.

<table>
<thead>
<tr>
<th>Business Loan Term: 84 mos</th>
<th>Factoring Line Term: 30 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use loans to finance income producing assets.</td>
<td>Use factoring lines to finance contracts or offer “net-30 day terms to customers.</td>
</tr>
<tr>
<td><strong>Amount:</strong> $100,000.00</td>
<td><strong>Amount:</strong> $100,000.00</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong> 6.00% A.P.R.</td>
<td><strong>Transaction Fee:</strong> 3.50% 30 days</td>
</tr>
<tr>
<td><strong>Effective Rate:</strong> $22,700.00</td>
<td><strong>Effective Rate:</strong> $3,500.00</td>
</tr>
<tr>
<td><strong>Debt:</strong> $122,700.00</td>
<td><strong>Debt:</strong> $0.00</td>
</tr>
<tr>
<td><strong>Fixed Payments:</strong> $1,460/mo</td>
<td><strong>Fixed Payments:</strong> $0.00/mo</td>
</tr>
<tr>
<td>• Does Not Revolve</td>
<td>• Revolves</td>
</tr>
<tr>
<td>• Does Not Increase</td>
<td>• Easily Increases</td>
</tr>
<tr>
<td>• A/R Turns/Yr = 1x</td>
<td>• A/R Turns/Yr = 6.4x</td>
</tr>
<tr>
<td>• Liquidity = $100,000.00</td>
<td>• Liquidity = $640,000.00</td>
</tr>
</tbody>
</table>
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• Build a Business Credit Profile Online
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• Access Vendor, Store, and Cash Credit
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