MEMORANDUM OF AGREEMENT
BETWEEN
THE U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
AND
THE SURETY ASSOCIATION OF AMERICA

I-BACKGROUND AND OBJECTIVES

The Parties to this Agreement

This agreement shall be between the U.S. Department Transportation, (DOT), Office Small Disadvantaged Business Utilization, (OSDBU) and The Surety Association of America, (SAA), known herein as (“the parties”). The Surety Association of America is a trade association consisting of companies that collectively write the majority of surety and fidelity bonds in the United States.

Authority

This Memorandum of Agreement (MOA) between DOT and SAA is entered into by the authority of Pub. L. No. 97-449, 49 U.S.C. 332, which authorizes OSDBU to develop outreach and training programs to assist Small Disadvantaged Business Enterprises to compete for contracts and subcontracts on DOT direct or DOT Federal-assisted transportation projects.

Recital of Purpose

The principal purpose of this Agreement is for SAA to support and enhance the ability of DOT to design, develop and implement a surety bond assistance program, which will serve the needs of minority, women-owned and disadvantaged business enterprises (DBEs) by offering bond assistance for transportation related projects. This assistance is designed to support and encourage the OSDBU bond assistance program with private sector participation and will utilize e-Government technology to expand opportunities for DBEs to obtain surety bonds.

Specific Objectives

- To encourage private sector driven participation of the surety bond industry on transportation related contracts; and

- To support and strengthen the capabilities of DOT to serve the small business community by obtaining surety bonds for transportation related contracts.
II-STATEMENT OF WORK

SAA agrees to assist DOT in developing an implementation plan for the OSDBU's bond assistance program. Such plan shall include the following:

Program Design

SAA shall assist DOT/OSDBU in designing a surety bond assistance program, which assists DBEs doing business with DOT highway, transit and airport grant recipients, to obtain surety bonds and industry information on how to secure surety bonds for DOT grantee-recipient transportation related contracts.

The parameters of the new bonding assistance program must conform to the governing DOT Bonding Assistance Program (BAP) policies, rules and regulations, which are designed to offer certified DBEs an opportunity to obtain bid, payment and performance bonds for transportation-related projects only.

SAA also shall provide advice and outreach assistance to DOT/OSDBU in the management and coordination of a nation-wide effort, which has as its goal, securing the participation of SAA members as surety firms participating under the DOT BAP program.

E-Government System

SAA shall advise DOT/OSDBU in the implementation of an e-Government bond system.

Marketing

SAA shall advise DOT/OSDBU in creating and disseminating DOT surety bond program material to the bond industry, potential grant recipients, and others.

Surety Internship Program

SAA shall assist DOT/OSDBU in utilizing SAA's surety internship program particularly to provide opportunity to minorities interested in the surety bond industry.

III-TERM OF AGREEMENT

This Memorandum of Agreement shall be for a term of two (2) years with the annual option to renew for an extended period. This Agreement will commence upon the date of the final signature and will be in effect for two years unless terminated as provided in Paragraph IV of this Agreement.
IV-TERMINATION

This Agreement may be terminated by either party without cause by giving thirty (30) days written notice to the other party. This Agreement may be amended by written mutual consent of the parties.

V-PARTIES EXECUTING THIS AGREEMENT

This Memorandum of Agreement is entered into this 12th day of May, 2005 by the United States Department of Transportation, Office of Small and Disadvantaged Business Utilization Washington, DC and by The Surety Association of America, Washington, DC

By: ________________________________
    Sean M. Moss, Director
    Office of Small and Disadvantaged Business Utilization
    U.S. Department of Transportation

By: ________________________________
    James E. Lee, Chair
    Board of Directors
    The Surety Association of America