

**THE MASSACHUSETTS ALLIANCE FOR SMALL CONTRACTORS
(MASSALLIANCE)**

AND

THE SURETY & FIDELITY ASSOCIATION OF AMERICA (SFAA)

MEMORANDUM OF UNDERSTANDING/PARTNERING AGREEMENT

This partnering agreement is made this 29th day of March 2007 by and between the Massachusetts Alliance For Small Contractors (MassAlliance) and The Surety & Fidelity Association of America (SFAA) and provides for the following:

Whereas -

MassAlliance is a Massachusetts-based non-profit organization specializing in providing education & training, technical assistance, and capacity-building services to small, minority, and/or women-owned businesses (S/M/WBEs) specializing in construction or construction-related services;

MassAlliance desires to establish a bond readiness initiative to assist S/M/WBEs to access and successfully secure bonding;

SFAA is licensed as a rating or advisory organization in all states and has been designated by all state insurance departments, except Texas, as a statistical agent for the reporting of fidelity and surety experience, representing its member companies in matters of common interest before various federal, state, and local governmental agencies;

SFAA actively supports and partners with organizations throughout the United States to implement bond readiness programs; and

MassAlliance and the SFAA are desirous of entering into a partnership to implement a Bond Readiness Initiative for S/M/WBE's in the commonwealth of Massachusetts

MassAlliance and SFAA agree as follows:

1. The program hereby established is the MassAlliance Small Business Development program (MASBD) Bonding Initiative, hereinafter called the "Bonding Initiative", a partnership of the Massachusetts Alliance For Small Contractors and The Surety and Fidelity Association of America.

2. The objective of the Bonding Initiative is to assist small, minority, and/or women-owned businesses specializing in construction and construction-related services to qualify for and access bonding or increase their bonding limits through education and direct assistance in the bonding process by working directly with the surety industry.
3. MassAlliance will conduct on-going outreach to inform the small, minority, and women contractor community of the Bonding Initiative.
4. MassAlliance will identify and recruit companies that can benefit from participating in the initiative.
5. MassAlliance will conduct on-going activities to network M/WBE contractors with the surety, banking, and financial industries through sponsoring meetings and conferences in a variety of settings.
6. MassAlliance will organize and arrange, through the MASBD education & training initiative, a series of seminars on various aspects of surety bonding.
7. MassAlliance will offer technical assistance in areas such as project management, job costing, finance, and accounting to contractors who may need assistance beyond education and training, prior to applying for bonding.
8. The SFAA will provide instructors from its team who shall make presentations at each of the MassAlliance bonding workshops.
9. The SFAA will coordinate, facilitate, and/or provide access to resources of the SFAA, which will assist MassAlliance in fully and successfully implementing all aspects of the Bonding Initiative.
10. The SFAA will establish peer reviews whereby contractors are teamed up with members of the surety industry who would review their bondability. The SFAA will identify and develop a strategy to address any potential denial factors apparent from each company's profile and bonding package reviewed.
11. The SFAA will monitor the implementation of each company's development strategy up to the point of the contractor or company applying for bonding.
12. MassAlliance and the SFAA will continually coordinate every aspect of program implementation to ensure that the bonding initiative is managed efficiently including such operational matters as conducting intake and assessment for bonding; assembling company profiles and bonding packages; and providing monthly, quarterly or other periodic reports that may be necessary for program success.

13. MassAlliance and the SFAA shall each bear the respective costs associated with each party's responsibilities under this agreement or as may arise and no cost reimbursements or accounting shall be required.
14. Within 30 days of the parties' signing of this agreement, both parties agree that the Bonding Initiative shall begin through various activities including recruitment, workshops, and announcement of the initiative.

Signed by the parties:

The Surety & Fidelity Association of America

By: Lynn M. Schubert, President



And

The Massachusetts Alliance For Small Contractors

By: Bruce C. Bolling, Executive Director

