



# JTAMobilityWorks

Business Development Academy

January 13, 2015



# **WELCOME**

Ken Middleton

*Safety Message: Lead the way, safety today.*



# **OPENING REMARKS AND ACADEMY OVERVIEW**

Mike Sloan




# **JTAMOBILITYWORKS OVERVIEW**

Neil Nance

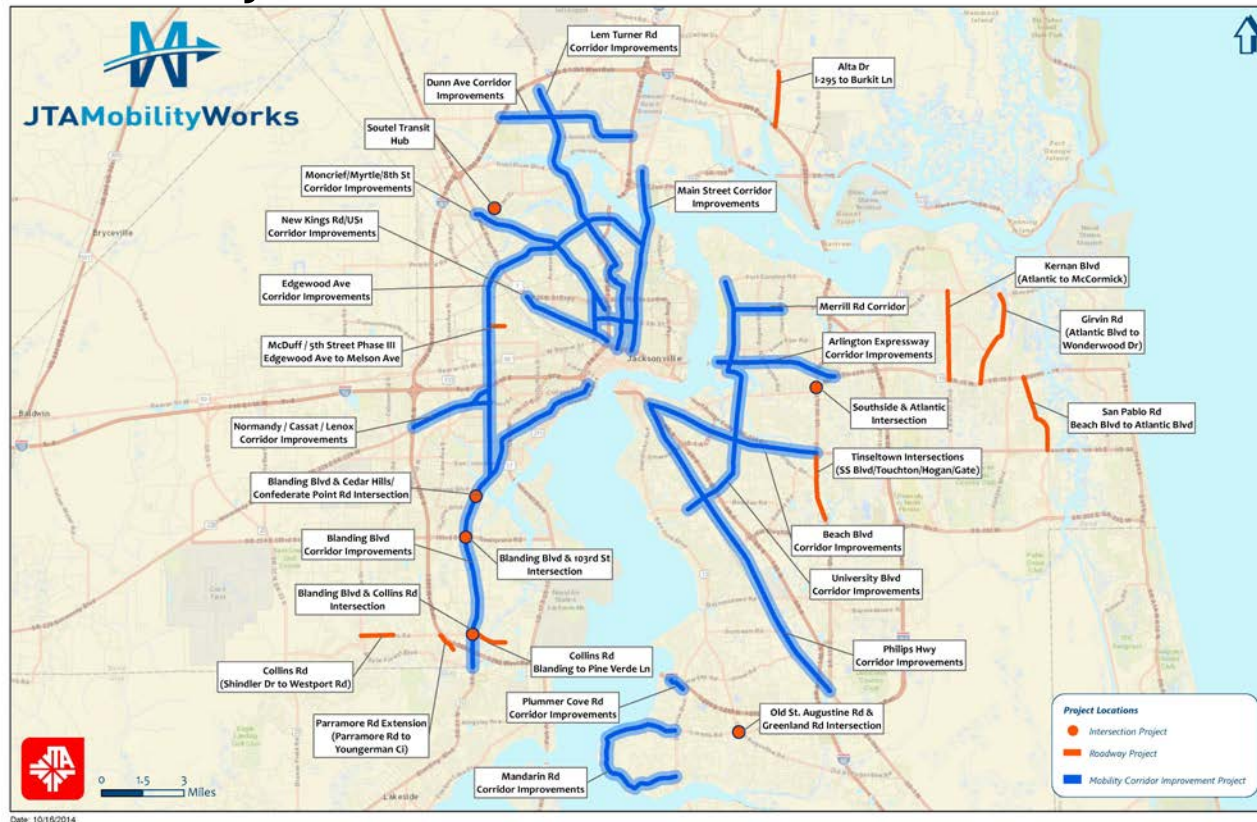


# Overview

- JTA to issue \$100 million in revenue bonds
  - Funded by local option gas tax
  - Project list established by City Council and incorporated into Interlocal Agreement between City and JTA
  - 27 projects in various stages of development
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# Road Projects

- 13 road projects
  - Mostly from Better Jacksonville Plan



# Intersection Projects

- Southside and Atlantic boulevards
- Blanding Boulevard with Collins Road, 103<sup>rd</sup> Street and Cedar Hills Boulevard
- Tinseltown Intersections (Southside Boulevard with Hogan and Touchton roads and Gate Parkway
- These projects are design only - no right of way acquisition or construction

# Intersection Improvement

Old St. Augustine and Greenland roads

## General Work Categories

- Clearing and grubbing
- Asphalt paving
- Sign and pavement marking
- Curb and gutter
- Sidewalk
- Lighting
- Earthwork



# Roadway Projects Under Five Million Dollars

- Parramore Road
- Soutel Transit Hub
- McDuff Avenue

## General Work Categories

- Clearing and grubbing
- Asphalt paving
- Sign and pavement marking
- Curb and gutter
- Sidewalk
- Lighting
- Earthwork

# Projects Over Five Million Dollars

- Kernan Boulevard
- Girvin Road
- Alta Drive
- Collins Road (two projects)
- San Pablo Road

## General Work Categories

- Clearing and grubbing
- Asphalt paving
- Sign and pavement marking
- Curb and gutter
- Sidewalk
- Lighting
- Earthwork

# Corridors Program

- 14 Mobility Corridors
  - \$15 million dedicated to projects on high frequency transit corridors
  - Designed to improve access to transit and provide mobility options
  - Shelters, sidewalks, lighting, landscaping, bike lanes, etc.

# Corridors Program

- Arlington Expressway
  - Beach Boulevard
  - Merrill Road
  - University Boulevard
  - Philips Highway
  - Mandarin Road
  - Blanding Blvd.
  - Normandy, Cassat, Lenox
  - Edgewood
  - New Kings Road
  - Moncrief, Myrtle, 8<sup>th</sup> Street
  - Dunn Avenue
  - Lem Turner
  - Main Street
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**Questions?**





# JTAMobilityWorks

## Why Bonding Matters

Joanne S. Brooks, Esq.

The Surety & Fidelity Association of America



# WHY ARE WE TALKING ABOUT BONDING?



- There is work out there for qualified contractors
- Bonding Creates Opportunities-using someone else's balance sheet
- Bonding Creates a Competitive Advantage-only a small group of contractors actually have bonding capacity
- Bonding is Available-relying on your own understanding may be blocking your own success

# The Fundamentals of Surety Bonding

- Proverbs 11:14-16
- 1894-Heard Act
- 1935-Miller Act
  - Current Law
  - \$150,000 Performance
  - \$30,000 Payment
- Little Miller Acts
  - State Law
  - Thresholds vary
- Prequalification
  - Capital (Credit)
  - Capacity (Capability)
  - Character (Reputation)
- Claim Services
  - Performance-protecting taxpayer dollars with a contract completion focus
  - Payment-protecting subcontractors/suppliers



Construction  
is still  
Risky Business



# Contractor Failure Rates

## Building, heavy/highway, and specialty trade contractors

In Business	Survivors	Failure Rate
853,372 (2002)	610,357 (2004)	28.5%
850,029 (2004)	649,602 (2006)	23.6%
1,155,245 (2006)	919,848 (2008)	20.4%
897,602 (2009)	702,618 (2011)	21.7%
918,483 (2010)	696,441 (2012)	24.2%

# Large Contractors Fail Too

- **Morrison Knudsen (1905-1995)**
- **Guy F. Atkinson (1926-1997)**
- **J.A. Jones (1890's-2003)**
- **Modern Continental (1967-2008)**
- **Ballenger (1937-2012)**

# What Surety Companies Look For:


- Sustainability
- Profitability
- Continuity
- Proven track record
  - Pay subs timely
  - Responsible
- Reference

# Surety as a Tool to Build Sustainable Contractors


- Economic Empowerment
- Job Creation
- Sustainability
- Legacy Wealth



# How Bonding Benefits the Contractor

- Bonding capacity can increase your project opportunities
  - Objective 3<sup>rd</sup> party with a broader perspective-evaluating contractors is what they do
  - Trusted advisor
  - An advocate
  - Access to expertise in accounting, law, engineering, with deep relationships and understanding of surety and construction
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# The Surety Industry's Commitment

- SBA-Surety Bond Guarantee Program- bonds issued by surety companies and guaranteed by SBA
  - MCDP-created by the SFAA to provide assistance to small, emerging and minority contractors
  - Partnership with US DOT BEP
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# Path for Success

- Get a Professional Bonding Agent
  - Work with someone with a proven track record
  - Follow the advise given
- Get a Construction CPA
- Know Your Credit Score
- Nothing beats a failure but a try...let a surety professional assess your bondability
- Bonding is a process get started now!!



# THANK YOU!

Joanne S. Brooks, Esq.

The Surety & Fidelity Association of America

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# JTAMobilityWorks

## Owner Controlled Insurance Program (OCIP) Overview

Presented by: Brenda Lewis-Lipscomb, CIC  
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# **What is a OCIP or “WRAP-UP”**

**An Owner Controlled Insurance Program (OCIP) also known as a “Wrap-Up” involves the procurement of certain insurance coverages by the project owner to cover one or multiple projects. The Wrap-Up insures the owner and all contractors and subcontractors for work performed on the project site.**

# **What's the Key Element**

**The key element of an OCIP is the owner maintains control of the insurance program, risk management program, and claims management program for the entire construction project. This approach differs from the traditional approach where each contractor on a job site procures and maintains its own insurance policy with vastly different terms, conditions, limits, and insurance coverages.**

# Traditional Programs

- **Each Contractor and Subcontractor must procure and pay for their own coverage**
  - **Multiple Insurers on one Project**
  - **Inadequate Limits**
  - **Gaps in Coverage**
  - **Uninsured Subcontractors**
  - **Cross Litigation**
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# Under the Wrap

**The JTA will:**

- **Purchase insurance for the JTA and all Contractors and Subcontractors working on site at no premium cost to the Contractors and Subcontractors.**
- **Administer Loss Prevention & Safety Programs**
- **Process and Manage Claims**

# What Coverage is Included

**OCIP's can include many different types of insurance coverage. The Jacksonville Transportation Authority's OCIP / WRAP-UP may provide the following coverage for losses, accidents or injuries while on the Jobsite:**

- **Workers' Compensation**
- **General Liability**
- **Excess Liability**
- **Builder's Risk**
- **Contractor's Pollution Liability**

# What's Not Included

**The Jacksonville Transportation Authority's OCIP / WRAP-UP will NOT provide the following coverage:**

- **Professional Liability**
- **Contractors Tools & Equipment**
- **Automobile Coverage**
- **Off-site Workers' Compensation**
- **Off-site General Liability**
- **Off-site Excess Liability**



# Advantages


- **Reduced Insurance Costs**
  - **Higher Liability Limits**
  - **Dedicated Products & Completed Operations Coverage**
  - **Reduced Loss Litigation**
  - **Greater Claims Management Control**
  - **Improved Safety Performance**
  - **Continuity of Coverage Terms & Conditions**
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# Advantages

## Advantages to small businesses seeking work with the JTA

- **Removes insurance barriers for small contractors**
- **Creates more opportunities for minority-owned business**
- **Provides uniform insurance policy terms, conditions, exclusions & assurance that all parties are insured**
- **Facilitates improved safety management & loss control programs and claim management**

# What's Next

- **Qualified Contractors and Subcontractors will be required to participate in the OCIP for JTA projects**
  - **Applications will be provided to each participant along with Safety Material and other Instructions**
  - **Contractors & Subs current policies need to be modified to exclude coverage and exposures covered by the OCIP**
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# Questions?

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# JTAMobilityWorks

## Accounting - Decision Makers

Presented by:

Jacqueline Perth, CPA

Accounting Today, Inc



# **ACCOUNTING MODEL**

- Purpose of Accounting
  - Users of Financial Information
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# Purpose of Accounting

## Users and Uses of the information: Stakeholders

- Accounting information helps users to make better financial decisions.
- Users of financial information may be both internal and external to the organization

# Purpose of Accounting

- The information used by decision makers for the Stewardship of their organization.
- The purpose is to provide Financial Information to major stakeholders for decision making



# Purpose of Accounting

- **Internal users** (*Primary Users*)
  - ✓ **Management:** for analyzing the organization's performance and position and taking appropriate measures to improve the company results.

*What are some of the drivers behind the cost?*

- ✓ **Employees:** for assessing company's profitability and its consequence on their future remuneration and job security.

*Will we have a job tomorrow?*

# Purpose of Accounting

- **Internal Users** (*Primary Users*)
  - ✓ **Owners:** for analyzing the viability and profitability of their investment and determining any future course of action.  
*Will I be in business tomorrow?*

Accounting information is presented to internal users usually in the form of management accounts, budgets, forecasts and financial statements.

# Purpose of Accounting

- **External Users (*Secondary Users*)**
  - ✓ **Creditors:** for determining the credit worthiness of the organization. Customers' financial health.  
*Are you paying your bills on time?*
  - ✓ **Tax Authorities:** for determining the credibility of the tax returns filed on behalf of the company.  
*Let's talk?*

# Purpose of Accounting

- ✓ **Investors:** for analyzing the feasibility of investing in the company. Investors want to make sure they can earn a reasonable return on their investment.
- ✓ **Customers:** for assessing the financial position of its suppliers which is necessary for them to maintain a stable source of supply in the long term.
- ✓ **Regulatory Authorities:** for ensuring that the company's disclosure of accounting information is in accordance with the rules and regulations set. Protect the stakeholders

# Purpose of Accounting

Financial information is usually provided in the form of reports which are Financial Statements:

- Income Statement
  - Balance Sheet
- Cash Flow Statement

# Purpose of Accounting

- **Income statement** is a statement that shows the financial performance of an organization during a given period.
- **Balance Sheet** is a statement that shows the financial position of an organization at a specific date.

**Cash Flow** is a statement that shows the cash movement.

# Wrap Up

